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ABSTRACT

A plan for reducing or consolidating institutions and programs of the University of Wisconsin (UW) is presented, based on a request by Wisconsin Governor Patrick J. Lucey in 1975. The Governor's basic fiscal and enrollment assumptions are identified, and the findings and recommendations of the UW system President John Weaver are presented. Part 1 of the report considers the implications of enrollment forecasts, educational opportunity, campus sizes and missions, program offerings and evolving societal needs, in relation to quality and cost. Part 2 addresses directly the request of the President to the Board of Regents for a statement of current planning assumptions, procedures, and directions. Finally, part 3 responds directly to the Governor's directive, in presenting criteria, procedures, and legislative language by which the State could, if it deems such action to be in the public interest, take immediate steps to initiate reduction in the scope and size of the university system. Conclusions include the following: unless artificial limits are placed on enrollments, enrollments in the university system will increase for the next 5 years; reducing significantly the scope of the UW system over the next decade will reduce access to educational opportunity for some people; and cutting the number of institutions or programs without reducing the numbers of students, faculty, and staff will not yield significant savings. A summary table is presented that outlines decisions and actions that would follow from proceeding with planning directions currently established or proposed versus reducing the scope of the UW system. Appended materials include data on campus finances and letters pertaining to the public policy regarding the UW system. (SW)

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ED222140

PRESIDENT'S REPORT

in response to the

GOVERNOR'S REQUEST

ON REDUCING THE SCOPE OF THE UNIVERSITY OF WISCONSIN SYSTEM

HE 015 553

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April 18, 1975

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Frank J. Pelisek, President
250 E. Wisconsin Avenue
Milwaukee 53202
414-271-6562

J. S. Holt, Secretary
1866 Van Hise Hall
MADISON, WISCONSIN 53706
608-262-2324

Bertram N. McNamara, Vice President
615 E. Michigan Avenue
Milwaukee 53202
414-276-2781

April 18, 1975

The Honorable Governor Patrick J. Lucey
The Honorable Fred Risser, Senate President Pro Tem
The Honorable Norman Anderson, Speaker of the Assembly

Gentlemen:

In response to the request contained in the Governor's letter to me dated January 8, 1975, a copy of which appears as Exhibit #1 in the Appendix of the attached Report, I am submitting this report and resolution on behalf of the Board of Regents of the University of Wisconsin System:

> Resolution: That, upon recommendation of the President of the System, the Board of Regents approves the "President's Report to the Board of Regents in response to the Governor's Request on Reducing the Scope of the University of Wisconsin System," dated April 18, 1975, as its formal submission to the Governor and the Legislature and directs the President of the Board to transmit it accordingly.

The Board calls your attention to the Statement by President Weaver which preceded his introduction of the Report for Board consideration.

I would also call attention to the fact that a decision to close down a particular campus will not produce major dollar savings for use elsewhere in the System unless that decision operates to release us from the responsibility of accommodating the students and faculty involved at locations elsewhere in the System.

Given the importance of the subject matter and at the directions of Speaker Anderson and Senate President Pro Tem Risser, I am having a copy of the Report and the President's Statement distributed to each member of the Legislature.

Cordially,

Frank J. Pelisek

FRANK J. PELISEK
President

Attachments

cc: Members of the Board of Regents
President Weaver
Board Secretary Joseph Holt

Foreword

The Report beginning at page xviii was approved unanimously April 18, 1975 by the Board of Regents of the University of Wisconsin System. The Report thus constitutes the official response to a request tendered by the Governor in his letter to the President of the Board of Regents, January 8, 1975.

PRESIDENT'S REPORT TO THE BOARD OF REGENTS

in response to the

GOVERNOR'S REQUEST ON REDUCING THE SCOPE OF THE UNIVERSITY OF WISCONSIN SYSTEM

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April 18, 1975

STATEMENT BY PRESIDENT JOHN C. WEAVER, IN PRESENTING HIS REPORT TO THE BOARD OF REGENTS IN RESPONSE TO THE GOVERNOR'S REQUEST ON REDUCING THE SCOPE OF THE UNIVERSITY OF WISCONSIN SYSTEM

Clarke Smith Room, Van Hise Hall
Madison, Wisconsin
9:00 a.m., Friday, April 18, 1975

On October 8, 1971, in my concluding remarks to one of the former Boards of Regents, I observed that we stood at "the summit of an institutional divide -- a divide formed by the conclusion of one era, the anticipation of another." I noted at that time, that: "Your University has never before feared change; it need not fear it now. Indeed, if it is to attain its rightful destiny -- if it is, in fact, to validate its greatness-- it must always be ready to meet the demands of change with well-considered change."

Just a bit over three years old, this System of Universities has made significant moves in the direction of change, and it has done so while coping with unprecedented problems and demands. Some feel we have moved too fast; others, that we have been too slow. Importantly, I hope we have always been well focused on our most basic responsibility, that of assuring that the quality and strength essential to universities worthy of the name have been protected and retained.

Proposals for major change often arise out of some immediate dilemma or problem. The issue now before us, as to whether the State of Wisconsin wishes, or is able, to continue its present level of public university commitments and to pledge ongoing support for higher educational opportunity and the advancement of knowledge emerges in just this fashion. There is an ever-present danger of loss of perspective in attempting to deal with a question of this magnitude on short notice, and in an environment where current economic distress can unduly and unwisely influence decisions concerning the longer-range public interest.

The report which I present to you this morning reflects our staff effort to speak truthfully, sensitively, responsibly and responsively to the difficult assignment you gave us. It is offered as a contribution toward informed public judgment. We do not attempt to hide our belief in the priceless cause of public higher education, nor do we avoid our responsibility to answer the concerns that have been laid before us.

You have our report, findings and recommendations regarding the Governor's request for specific plans that might be utilized in reducing the scope of the University of Wisconsin System over the decade ahead. I respectfully recommend the transmission of this report to the Governor and the State Legislature. It is, I believe, fully responsive to the initial request as well as to the subsequent companion request from the President of this Board. Hopefully it will provide solid foundation for rational public consideration and debate. It seeks to provide our elected representatives -- the persons ultimately responsible for the final decision in such fundamental public policy matters --with a clear statement of the policies,priorities and consequences inherent

The Report I bring you is divided into three major parts, preceded by a Summary and Prologue:

Part One discusses the implications of enrollment forecasts, educational opportunity, campus sizes and missions, program offerings and evolving societal needs, in relation to quality and cost, thus providing the matrix for any long-range planning effort;

Part Two seeks to speak directly to the request of the President of the Board of Regents for a statement of our current planning assumptions, procedures and directions;

Part Three responds directly to the Governor's directive, in presenting criteria, procedures and legislative language by which the State could, if it deems such action to be in the public interest, take immediate steps to initiate a reduction in the scope and size of the University System.

This Report is not advanced as an "either/or" matter; none of the participants in the public policy arena can pretend to final knowledge. The Report is, in truth, an "if/then" exposition, aimed at serving the needs of informed judgment. Even our listing of a decision agenda for state government at the end of the Report provides options, and not just the choice between change and no change.

What emerges in the relationships between Parts Two and Three is in the nature of a dilemma. On the one hand, we have a commitment to serve Wisconsin citizens who seek and can profit from higher educational opportunity. The numbers of these citizens will steadily increase, at least through the next six years, and most likely will continue to increase, even if at a slower rate in the foreseeable years which follow.

On the other hand, we cannot serve effectively a constantly growing demand for our services on the basis of static or declining real dollar resources; even though that is precisely the situation we now face.

In the Prologue to my report I outline the dimensions of our current budgetary travail in summary detail, and then note the magnitude of our potential difficulties when viewed against the even grimmer, long-range budgetary assumptions. It is important to grasp the implications of an expectation that we meet the bulk of our program needs over the next decade exclusively through internal surgery. It is worth noting that just to replace the nineteen million dollars in funding, eroded from our supply budgets by inflation in this biennium, would, on this basis, require the complete elimination of two of our smaller four-year universities or the entire fourteen campus Center System. So drastic a move as this would only allow us to stay even with our 1972-73 purchasing capability. It assumes, unrealistically, and incidentally, that the students and faculty of those campuses would no longer be a System responsibility.

The immediate public policy issue becomes clear. If we are to fulfill our missions as historically defined, we need to be certain the state still supports those missions, and supports them with the full realization that they cannot be fulfilled on the basis of static or declining resources. If we are to plan for long term fiscal austerity and retrenchment, this needs to be directed with the complete understanding that this will require a most basic change in direction for the state of Wisconsin -- a deliberate decision to

. . .

constrain, for fiscal reasons, the levels of access to educational opportunity that have historically been provided. We also need some indication of how minor or major such constraints as may be envisioned are to be.

I obviously am not neutral on the issue posed by this request, nor am I oblivious to the current fiscal dilemma of this State. I happen to believe that this Board's present course of action, and the state's traditional commitment to public higher education, should be sustained. If we face hard times now and then, we will seek to limit our requests to only those things we consider to be the irreducible minimum. Economic history is not simply a story of unrelenting downturns. However, I am persuaded that this state will recover from its momentary distress. I am convinced that advanced public education for our citizens is an essential ingredient in that recovery, as in long term economic growth and social improvement.

Let me now state, as imply as I know how, what I see to be the heart -- the true essence -- of this document. In attempting this, I am fully mindful of the fact that we are dealing with an enormously complex set of issues. Many things, good and bad, have been said about universities, but no one has ever claimed that they are easy institutions to understand, nor that they work with simple problems. In addressing ourselves professionally to the sensitive and tightly interwoven fabric of problems in long-range planning for this System, we have necessarily pursued a variety of intricately involved topics, all of which affect our judgments and recommendations.

Nevertheless, and at the cost of some oversimplification, let me set forth succinctly what I believe this Report says to the people of Wisconsin. Let me do this by first stating what it does not say. In turn I will try my hand at delineating what it does say.

The Report does not say that the University of Wisconsin System, and its array of institutions, is now perfectly attuned to the task of providing the best possible higher educational service to the State of Wisconsin. Changes have been made in the last three years. Planning aimed at change and adaptation is continuing. Like all dynamic institutions, we can improve, and we urgently seek improvement.

The Report does not, as some have urged would be useful, ignore 125 years of history and speculate on how one would redraw the higher education map of Wisconsin if he were free to start de novo. The history of our institutions -- the youngest as well as the oldest -- is closely intertwined with the histories of communities, regions, the state, the people who serve in those institutions, and the people they serve. We could no more abandon this history than we could abandon the accidents of our state boundaries, the cultural and ethnic backgrounds of our citizens, or the places where our people concentrate themselves to live and work. We have no way of assuming the advantage of hindsight for a return to a new and sudden moment of improved creation. Instead we must keep asking constantly how we can best use now, and for tomorrow, the resources of people, libraries, and laboratories we now have. This is the planning goal of the University System. This is a goal that seeks foresight, not hindsight -- a foresight to carry us toward the 21st Century with a wisdom derived from a careful reading of history.

The Report does not say that we have reached the highest level of effectiveness possible in bringing educational services of quality to the people of Wisconsin. We have steadily sought to become more effective. We would gladly invite comparison of our record for "productivity", efficiency and effectiveness with the record of any university, or system of universities, in the nation. In spite of this, we continue to seek and to achieve improvements.

The Report does not say that the choice is between the System as it now exists in all its details and a System which has been directed to reduce its scope. Our own planning assumptions and procedures, outlined in the Report, anticipate and call for change. They envision the possibility of alternation, phase down, or even phase out of institutions at any point in time when enrollment and resource forecasts make such moves desirable or necessary.

The Report does not say that the choice is between unlimited growth in tax resources for the University System, and long-term fiscal austerity. We are accutely conscious of the fiscal problems that face our State government, and of the fact that unlimited access to new resources is not a realistic possibility for any public institution. Thoughtful people will differ as to the priority to be assigned to higher education among the many claimants for public dollars; they will, indeed, even differ regarding the extent to which government can fully support maximum access to educational opportunity. Notwithstanding these things, there still is clearly a choice -- a choice between those who would join me in saying that strong education has built Wisconsin's very foundations -- that quality education is, indeed, still its greatest strength and asset, both for today and tomorrow, and that we have a state's future at stake in keeping the opportunity for it open and fully available; and there are those who would say that such a goal is no longer realistically possible. It is that crucial choice that now hangs in the balance of public decision, and that lies at the vertex of this Report.

What the Report does say is that if there is a public finding by the Legislature that resources for additional students and continued progress will not be, or cannot be, or should not be, forthcoming in the next decade, then it is clear that the size of the System must be reduced, and an unequivocal Legislative directive must be given to the System to take such action. Obviously, such a finding, and such a directive, would represent a most fateful public policy choice for the State of Wisconsin.

It is an almost desperately fateful choice, because of a few irrefutable facts:

First, unless artifical constraint is applied, enrollments in the System will continue to grow for at least three more biennia. After that the possibilites are several: growth may continue, or level out, or decline. But no one can judge now what will occur six, ten, or fifteen years from today, unless restraining decisions are made now that will operate to limit access to our University System.

Second, the University of Wisconsin System cannot -- I repeat, cannot -- provide education of quality for more students without appropriate, compensating increases in resources. Our services are provided by people, for people. We should give fair warning, and we must continue to warn, that we cannot go on reducing faculty and staff, as well as support for instructional materials and equipment, and simultaneously undertake the teaching of ever-increasing numbers of students. To attempt such, is an inescapable proscription for irreversible mediocrity. I find it hard to believe that anyone would find this an acceptable alternative.

Third, it follows clearly that if our fiscal future includes no enlargment of our present resources, beyond provisions for salary and price increases, then we cannot — I repeat cannot -- provide educational opportunity for all of the Wisconsin citizens who would, if permitted, seek such services.

The matter can be stated simply. A vast array of Task Force data, thoughtfully prepared and painstakingly analyzed, reveals this truth: A direction given now to reduce significantly the scope of the University of Wisconsin System over the next decade, is also a directive to reduce access to educational opportunity for some part of our people. No other consequence can lead from the established facts.

In concluding my comments, let me ask your indulgence to step back for a few minutes from the trials of the moment in order that we may remind ourselves of those things the universities of Wisconsin have meant,and might continue to mean for our people. Decisions of great importance should not be taken without some sense of history, and in the Prologue of my Report I speak briefly to such matters.

We should remind ourselves at this time that for well over a century, the people of Wisconsin have held certain propositions to be self-evident:

(1) That Wisconsin's citizens should have ready access to higher educational opportunity of quality and of relevance to their purposes, interests and abilities.

(2) That personal and societal need for knowledge constantly increases as a direct function of the complexity of society and the mounting aspirations of our citizens.

Our unwavering confidence has been that public university education is a public good, and that the public investment in such endeavors is repaid to society many fold, and in countless ways:

-- The investment is repaid through the lives and taxes of citizens who realize more fully their potential for making wise personal and civic decisions, and who develop the skills needed for productive lives and careers.

-- The investment is repaid through the functioning of communities of scholars which bring the power of vibrant, useful knowledge to bear on the problems of people and their institutions.

-- The investment is repaid further through the impact of knowledge on the intellectual, cultural and economic vitality of society in general.

-- The investment is an expression of the fact that what a society honors and values best describes its goals. Wisconsin has honored the search for and transmission of knowledge and, in so doing, has established a quality of life that even in the face of sacrifice, its citizens have been unwilling to do without.

These beliefs and their consequences are both present fact and matters of history. The issue now before the State of Wisconsin is whether it wishes, or is able, to continue its adherence to these beliefs.

I must now rest _my_ case with _you_. In turn, you must, without delay, place _our_ case before the people of Wisconsin. You and I, and others, who live day by day with the destiny of our public universities, have a deep and abiding concern for their health -- for their ability to retain their longstanding traditions of intellectual pioneering for the public good. The people of Wisconsin have had great faith in public higher education. Above everything, I would covet the hope that through the difficult days of decision that lie immediately ahead, the citizens of Wisconsin will sustain that faith.

April 18, 1975

SUMMARY OF THE PRESIDENT'S REPORT TO THE BOARD OF REGENT
in response to the
GOVERNOR'S REQUEST ON REDUCING THE SCOPE OF THE UNIVERSITY OF WISCONSIN SYSTEM

John C. Weaver
System President

(The full Report follows the yellow pages)

Background

On January 8, 1975, Governor Patrick J. Lucey requested the Board of Regents of the University of Wisconsin System to "bring to him and the Legislature" by mid-April "a plan for phasing out, phasing down, or consolidating institutions and programs, including a statement of language to be inserted into the 1975-77 biennial budget which would authorize implementation of the plan." The Governor was motivated to request such a plan by his conclusions regarding fiscal constraints and enrollment trends over the next decade.

Regent President Frank J. Pelisek asked System President John Weaver to conduct the necessary studies and to prepare a report with recommendations for Board consideration at a special April meeting. The document following this yellow Summary constitutes that report.

The President's report derives from extensive research completed on short notice by a System Advisory Planning Task Force and from subsequent analyses by the central staff of the University of Wisconsin System.

This Summary identifies the Governor's basic fiscal and enrollment assumptions and the findings and recommendations of the System President. It concludes with a "Decision Agenda for State Government" and references to suggested statutory language.

1. ASSUMPTIONS UNDERLYING THE GOVERNOR'S REQUEST

Based on the content of his January 8 letter as amplified in subsequent staff conversations, the following assumptions can be identified as initiating the Governor's conclusion that the public interest of the State of Wisconsin will best be served if the present scope of the University System is reduced over the next decade.

a. In his judgment, the state's financial resources in the next decade will not be sufficient to sustain the present quality and scope of the System since the most the System can expect in additional state resources during that period would cover salary adjustments and inflationary price increases only. (The Governor's 1975-77 budget proposal falls short of even that goal.)

b. The enrollments anticipated in the next decade and beyond will not justify continuance of the present array of programs and institutions.

c. Resources required beyond the levels stipulated in 1.a. which will be needed over the next decade to sustain quality, meet workload increases and support needed program changes must come primarily from retrenchment of base programs and institutions.

In light of fiscal and enrollment uncertainties, the Governor has asked the System to indicate and, if need be, intensify its current planning efforts aimed at accommodating a range of future possibilities including the very grim prospects in the above assumptions. Part Three of the Report outlines the criteria, procedures and statutory charge needed to implement a System response given those assumptions.

The President of the Board of Regents asked that the Report to the Board include a full explanation of those current planning efforts along side the intensification required by the Governor's assumptions. Part Two of the Report responds to this request. *It makes clear that even the present plans of the System do not envision preservation of the status quo.* Indeed, the Report affords the System an opportunity to reflect in a single document just how significant its efforts and intentions are in this area.

Section 2 of this Summary (below) sets forth specific findings and recommendations derived from the Report and the study that preceded it. Section 3 provides a "decision agenda for Wisconsin state government."

2. FINDINGS AND RECOMMENDATIONS CONTAINED IN THIS REPORT

Finding #1: Future Enrollments

Based on data developed by the System Advisory Planning Task Force and subsequent analyses by Central Staff, the following can be said about enrollments:

a. Unless artificial limits are placed on enrollments, or additional economic barriers to enrollments are imposed, enrollments in the UW System will increase for the next five years and remain above present levels until 1983.

b. No one can now predict that enrollments will decline after 1983. Projections based on *18-year-old population* show a decline between 1983 and 1992 (when an increase in 18 year olds is again predicted), but projections based on *the proportion of each age group from age 18 to age 64 now enrolled* show that in 1990 enrollments would be *5,000 above present levels.* If the proportion of older students continues to increase (and it is now increasing), the System will have *20,000 more students in 1990 than at present.* If personal, social or economic motivations for higher education decline sharply, decreases could be sharp after 1983. Unless Wisconsin's commitment to higher educational opportunity is to be reduced as a matter of public policy, *the state and UW System should plan for alternative possibilities after 1983 and not assume a decline.*

The fact that there may not be a decline in System enrollments in the next 15 years does not alter the fact that there may be declines in particular units of the System. The Regents should continue to guide enrollments to assure best utilization of budget, program and facility capacities in the System.

Finding #2: Impact of Budgetary Assumptions

Assumptions 1.a and 1.c regarding additional resource expectations suggest that State support for the UW System's operating budget for the next few biennia *will, in real program dollars, be limited to present 1974-75 levels or below.*

Aside from the public policy question posed by these assumptions, it is important to grasp their implication for the System. If this reduce-scope-to-fund-cost-increases policy were in effect beginning in 1975-77 and the System had to phase-down or phase-out institutions to redeploy base funds to cover the loss of purchasing power experienced in 1973-75, *it would take the entire state-funded budgets of fourteen Center campuses or two four-year universities just to stay even!* (And this only if students and faculties of those campuses ceased to be a System responsibility.)

Further, if the state is unable or unwilling by reason of its priorities to provide funding for additional students, the Regents will have to choose between quality and access. The prospect of serving more students every year with no additional funding to support them will inevitably affect quality. To phase out campuses in order to have funds to teach additional students overlooks the fact that most of those funds will be needed to teach students from phased out campuses at some other location.

Finding #3: Relationship of Educational Opportunity, Quality and Cost

The Task Force findings are clear that if the state of Wisconsin directs the System to reduce its present scope in order to sustain quality in that which remains:

- Then access must be limited and fewer educational options provided for Wisconsin's citizens
- Cutting the number of institutions or programs without reducing the number of students, faculty and staff will not yield significant savings.

In short, if the state as a matter of new public policy seeks to hold the UW System at its present levels of program support over the next decade, and to do this in the presence of the increased numbers of students seeking higher education, then it must also as a matter of public policy determine to restrict access to educational opportunity. To attempt to do otherwise would erode the quality of the higher education services provided, and services without quality do not provide genuine opportunity for anyone.

Finding #4: The System Commitment to Cost and Quality Effectiveness

In 1973-75 the UW System returned $21,500,000 to the state in "productivity savings" from its base budget. The System redeployed another $7,500,000 from lower priority programs to support higher societal and educational priorities without additional state funding.

In 1975-77 the University System is prepared to operate under an austerity budget produced by economic recession at a level it has stated as its minimal needs in presentations to the Joint Finance Committee. With this budget level, access to educational opportunity at some point in the System will be maintained; every effort will be made to protect the quality of instruction, research and services by deferring current costs, and increasing workload, with the hope that quality erosion represented in deferred costs can be checked in a post-recession economy.

Since merger, the Regents and the System have made cost and quality control a basic planning principle for the System, and initiated: program reviews; phase out, phase down, and consolidation decisions; cost, efficiency, and quality analyses; streamlined numerous administrative structures and practices as part of long-range planning to enhance the quality of the System at the minimum cost feasible. These efforts will continue.

Finding #5: Access and Community Resource

The Task Force findings on the implications for access, educational opportunity, and community inherent in a decision to close an institution are quite significant.

Closing a campus to save dollars would mean:

- *A specific number of Wisconsin residents would no longer have access to university educational opportunity historically provided*
- *A specific Wisconsin community or region would lose the benefit of a combination educational and economic resource now furnished by the state.*

Finding #6: The Environment for Effective Long-range Planning

Within the constraints of successive budgetary crises, biennial and midyear cuts in the base budget of the System, and uncertain public policy intentions, the System and its institutions have moved to initiate cost-effective and quality-effective processes of short-range and long-range planning and decision making.

What is now most needed to enhance the capacity of the System to respond in an orderly way to variable enrollment experience, changing societal need, and changing resource expectations is assistance from the state in creating a reasonably stable basis for resource expectations. More effective resource allocation and utilization would result.

This environment would not change the Regent's commitment to selective and phased adjustments of programs and institutions. It would assure that such adjustments could be carried out in ways least harmful to students, faculty, institutions and the public interest.

Finding #7: The Priority of Public Higher Education for Contemporary Society

The Task Force Report calls attention to the public policy implications of assigning reduced priority to higher education by a society facing multiple, complex and difficult problems, particularly in a period of rapid change in which new problems must be expected.

The question before Wisconin as before the nation may be stated as follows:

Should the state and the nation reduce its present relative level of public support for higher education at a time when the need for knowledge, the dissemination of knowledge, and the preparation of society for a period of rapid social change is at an all-time high?

Finding #8: If the Governor's Fiscal Assumptions Prevail, Then Phased Reductions in the Scope of the UW System and its Services Should be Directed by the Legislature

If the Legislature affirms the Governor's assumptions about the fiscal expectations of the UW System in the next decade, the question remains as to "how much" reduction in scope should be directed,

In PART THREE of this Report, the System recommends the criteria to be used in reaching certain classes of decisions on reduction in scope, the procedures to be followed in applying such decisions, and the legislative action needed to direct such decisions.

To avoid a massive crisis in orderly management and System morale, the recommendations in PART THREE are proposed for *phased* application in each of the three following biennia beginning with:

a. In 1975-77, modification of the status quo or, if need be, phase out of selected higher cost two-year centers.

b. In 1977-79, phase down of selected four-year universities by vertical phase out of program units, or, if need be horizontal phase out of levels of instruction; or total phase out.

c. In 1979-81, phase down of base budgets of the universities and centers not involved in b, and UW-Extension through phase out of programs, program consolidation, or cost-directed structural changes. Such phase down would be aimed at meeting legislatively directed fiscal targets beyond those possible from the decisions taken under a and b., and would assume concurrent reductions in educational services and in numbers of students to be served.

d. Concurrent and proportional reductions in administrative services and programs would be programmed.

IT IS ASSUMED THAT THE LEGISLATURE COULD DIRECT NONE, ONE, MORE THAN ONE, OR ALL OF THE FOREGOING STEPS IN TERMS OF ITS RESPONSE TO THE GOVERNOR'S FISCAL ASSUMPTIONS, AND ITS JUDGMENT ABOUT THE MAGNITUDE OF THE SCOPE REDUCTIONS WHICH SHOULD BE UNDERTAKEN TO SUSTAIN THE QUALITY OF THE REMAINING INSTITUTIONS AND PROGRAMS WITHIN THE FISCAL AND POLICY CONSTRAINTS DIRECTED.

3. A DECISION AGENDA FOR WISCONSIN STATE GOVERNMENT

The President's Report to the Regents, proposed for transmittal to the Governor and the Legislature, concludes with a "decision agenda to focus attention on the major public policies which need to be sustained or modified, and the implications of alternative choices. That agenda is repeated in full in this Summary:

1. The major public policy decision before state government is whether:

   a. It judges the UW System's fiscal and enrollment prospects for the next decade to be sufficiently uncertain as to warrant the immediate initiation of steps designed to reduce the present scope and access points of that System in order to sustain quality with extremely limited resources.

   or

   b. It judges the public interest to be better served by a reaffirmation of its traditional priority commitment to provide higher educational opportunity and services of quality to those people wishing and able to benefit from them, and affirmation of the UW System's current planning approach to accommodating an uncertain future, along with the resource requirements inherent in such an approach.

   It should be clear that neither judgment is aimed at simply preserving the status quo and that the same criteria would be relied upon by the System in implementing either approach.

2. A reaffirmation of b. above would be consistent with the basic assumption from which the University System planning is administered by the Board of Regents.

3. Confirmation of the decision under a. above to reduce selectively the scope of the System and the scope of its programs and services would be consistent with the fiscal assumptions leading to the Governor's request to the Board of Regents.

4. One alternative to the foregoing choice would be a decision to direct maintenance of the scope of services together with static resources *by lowering the quality* of those services. This has been rejected by the Regents as wholly contrary to the public interest. Access to education or services of low quality would be a delusion rather than an opportunity for Wisconsin people.

5. The implications of the public policy choices to be made by state government can be summarized in the columns which follow:

DECISIONS AND ACTIONS WHICH WOULD FOLLOW FROM UW SYSTEM'S ASSUMPTIONS

Reaffirmation of a commitment to educational opportunity of quality for those wishing and able to benefit implies:

1. The Regents should proceed with planning directions now established and those proposed. Those *established include:*

   a. Rigorous application of the principles that all programs must meet tests of quality, productivity, responsiveness to societal need, cost-effectiveness, and as appropriate centrality to the basic mission and purpose of higher education.

   b. Continuous audit and review of all existing programs on the basis of these standards.

   c. Elimination or alteration of low priority programs to reallocate resources to higher priority goals.

   d. Rigorous scrutiny of all new programs on the basis of criteria established.

   e. Application of cost and quality effective practices including:

      (1) Interinstitutional resource sharing through consortia.

      (2) Consolidation of small program units to reduce overhead.

      (3) Continuous institutional review of low enrollment courses and programs.

   f. Enhance institutional vitality through appropriate faculty and staff development programs and practices.

DECISIONS AND ACTIONS WHICH WOULD FOLLOW FROM GOVERNOR'S ASSUMPTIONS

Decision to reduce selectively the scope of opportunity and services to constrain or reduce resource requirements implies:

1. The legislature should direct the Regents to reduce the scope of the System, and the scope of its programs and services in selective and phased ways designed to damage least the public interest as a whole.

2. The *first step* in such directed reduction to be *initiated* by 1977 should be:

   - Phase out or alternative educational use for Centers not meeting Regent-established criteria. As many as three Centers would face this possibility.

   - If the goal is to reduce the scope of the System in order to free up public dollars in toto, then it would follow that the directive should be to phase out selected Centers.

3. The *second step* in such directed reduction, to be implemented by 1979, should be to phase down or phase out selected four-year campuses chosen on the basis of the Regents' criteria.

   - If the purpose of such direction is to free up dollars, it should be understood that such phase down or phase out would be accompanied by reductions in the scope of educational services and opportunities provided for Wisconsin.

   - Phase out of a four-year campus should not be directed without prior or concurrent phase out of geographically proximate two-year Centers.

DECISIONS AND ACTIONS
U.W. SYSTEM CURRENT ASSUMPTIONS

g. Seek investment in innovations likely to produce long-range quality and cost-effective methods of providing educational services.

2. Those *proposed* include:

   a. Establishment of a four-year planning front for all institutions specifying enrollment, fiscal, and performance targets, with an annual update.

   b. Application of cost-size-quality criteria to Centers noted in Part Three *and alteration or phase out of those not meeting criteria.*

   c. Application of planning to *reduce the scope of universities over a four-year period in which enrollment and fiscal targets require such reduction to maintain quality.*

   d. Support for studies leading to possible consolidation of UW-Superior and UM-Duluth.

   e. Intensified joint planning with VTAE on resource sharing.

   f. Strengthen existing consortia and expand such arrangements.

   g. Strengthen interinstitutional planning with independent colleges and universities.

   h. Systemwide enhancement of institutional program audit and review actions by selective lateral audit and review of replicated and specialized programs.

3. The Regents ask that state government support development of a better environment for effective long-range planning including:

   a. More stable understandings on the base for the resource expectations of the System, including development of four-year planning authorizations subject to biennial appropriation actions.

DECISIONS & ACTIONS
GOVERNOR'S ASSUMPTIONS

4. The *third step* in such directed reduction, to be implemented by 1981, would be to accomplish a reduction in the base budget requirements of the System by a specified percentage of the requirement otherwise needed to sustain quality. This would be accomplished by selective phase out, consolidation, or structural alteration of programs in institutions not affected by 2. and 3. foregoing, including the doctoral cluster and UW-Extension.

   - Such reductions would be accompanied by reduction in the scope of opportunity and services provided, including numbers of students served.

   - Counted against the fiscal targets for such reduction in scope would be the reallocations achieved by the institutions between 1975-79 through continous program audit and review activity.

5. A concurrent step in all directed steps to reduce the scope of the System would be direction to reduce central administrative services and functions in proportion to other reductions directed.

6. A finding that it is in the public interest to reduce the scope of the System could be followed by direction to apply only the Step 1 reduction, or the Step 1 and 2, or Steps 1, 2, and 3. This determination would follow from decision as to the magnitude of the fiscal constraint to be established, and the magnitude of the reduction in opportunity and services to be achieved.

7. It should be undertood that closing institutions and programs to achieve fiscal constraints during a period when enrollments are expected to increase would probably require the Regents to establish enrollment limitations for the remaining institutions. The effect would be a need to apportion a scarcity of resources as wisely as possible.

DECISIONS AND ACTIONS U.W. SYSTEM CURRENT ASSUMPTIONS	DECISIONS & ACTIONS GOVERNOR'S ASSUMPTIONS
b. More lead time on reductions in base resources when these are indicated as fiscal planning goals to permit effective staff and program contractions. c. More attention to the cost-benefit implications of studies and analyses requested or required to reduce costly administrative overhead.	THE DRAFT STATUTORY LANGUAGE WHICH COULD BE USED IF THE LEGISLATURE AFFIRMS THE GOVERNOR'S ASSUMPTIONS AND MANDATES ONE OR MORE OF THE ABOVE STEPS APPEARS IN THE PRESIDENT'S REPORT AT THE FOLLOWING LOCATIONS: Page 24: Item C (Centers) Pages 26-27: Item C (Univ.Cluster) Page 30, Item C (Others)

The Regents and the UW System understand that affirmation of Wisconsin's historic commitment to higher educational opportunity does not and cannot commit the state to a particular level of spending which might be required in the future to implement *fully* that goal. They understand the impact of current recession and the potential of an uncertain economic future on the ability of the state to realize all desirable goals.

The Regents and the University System ask only that changes in public policy goals for higher education not be superimposed upon fiscal constraints without public debate and an informed decision, and that if fiscal determinations dictate constraint upon educational opportunity, the steps needed to reduce the scope of the University's programs and services in order to sustain the quality of that which remains be openly understood.

PRESIDENT'S REPORT TO THE BOARD OF REGENTS
in response to the
GOVERNOR'S REQUEST ON REDUCING THE SCOPE OF THE UNIVERSITY OF WISCONSIN SYSTEM

John C. Weaver
System President

April 18, 1975

PROLOGUE

A President's report on a matter as serious as this should begin with recognition of the fact that the University of Wisconsin System as it now exists, embodies and expresses the belief of this State over the years:

- *That its citizens should have ready access to educational opportunity of quality relevant to their purposes, interests and abilities, and*
- *That personal and societal need for knowledge increases constantly as a function of the complexity and aspirations of American society.*

This belief states that public university education is a public good and that public investment in such education, representing about half the System's present budget, is repaid to society many times over:

- *The investment is repaid through the lives and taxes of citizens who realize more fully their potential for making wise personal and civic choices, and develop skills needed for productive lives and careers*
- *The investment is repaid through the nourishing of scholarly communities where the knowledge needed to understand and address problems can be found, organized and made available to the public*
- *The investment is repaid further through the impact of knowledge on the intellectual, cultural and economic vitality of society generally*
- *The investment is an expression of the fact that what a society honors and values describes best its goals. Wisconsin has honored the search for knowledge and, in so doing, has spoken to the quality of life sought by the state and its citizens*

These beliefs and their consequences are matters of history. The issue now before the State of Wisconsin is whether or not it wishes or is able to continue its present priority commitment and historical rate of support to university educational opportunity and to the advancement of knowledge.

The twin problems of an austere budget prospect for 1975-77 and a requirement to provide recommendations for reducing the scope of the System over the next decade present us with a serious dilemma. Its dimensions can be stated briefly:

-For 1973-75 the System was directed to cut its base budget by $21,500,000 and did so; it funded another $7.5 million of item needs by base reallocation rather than seek new funds

- For 1975-77, under the Governor's proposed budget, the System is asked to absorb $ 19,000,000 in price increases due to inflation, to cut its base budget for existing programs by another $9,700,000 , to cut another $6,000,000 in state support for graduate and adult education programs and replace it with fee increases and lastly, to teach 6,000 more students without any additional funding.

- For 1975-85 and beyond we have been advised by the Governor we can expect no additional state funding beyond that necessary for employee compensation adjustments and price increases, at best. It is the Governor's judgment that this will leave us little choice but to reduce the scope of the System in order to protect the quality of what remains and to cover other cost increases through redeployment of base funds.

The magnitude of the dilemma posed by these prospects is awesome. The Governor's fiscal assumptions for the next decade have staggering implications. The fact that even those assumptions are not reflected in the 1975-77 budget (e.g. there is no provision for the bulk of our inflationary losses) suggests it may even be worse. To underline the implications of a reduce-the-scope to cover cost increases (rather than seeking additional state funding in the traditional manner), consider for a moment what it would take in the way of campus closings just to make up this biennium's $19 million inflationary loss:

-This would require campus reductions or eliminations equivalent to the entire state-funded budgets of two four-year universities or of all 14 two-year campuses just to stay even. (And that assumes, unrealistically, that the students and faculty of those campuses would no longer be a responsibility of the System.)

Our studies show that for each institution thus closed for purposes of saving dollars

- A specific number of Wisconsin residents would no longer have access to university educational opportunity historically assured them

- A specific Wisconsin community and region would lose the benefit of a combination educational and economic resource now furnished by the state.

Our studies also indicate that the current methodologies for projecting future enrollment levels are not adequate for addressing scope reduction decisions extending beyond the next four years. Thus it not only remains true that we will face increasing enrollments through the end of the 1970's, but it is altogether possible that we will face increases (rather than modest declines) in the 1980's as well.

The problems posed by the Governor's fiscal assumptions takes on a particularly serious character when one realizes that the magnitude of resources that must be generated exceed those possible through improved "efficiency." At issue is our ability to respond to the need for a given volume of educational services of quality in line with present expectations of the state. Our present budgetary condition and the prospect of continued retrenchment have already brought us to the point where reducing services and people served are the only means of freeing up significant base resources for redeployment to sustain quality.

This Report is not advanced as an "either/or" proposition; none of the participants in the public policy arena can pretend to final knowledge. The Report is more of an "if/then" exposition aimed at assuring informed judgment by our elected representatives.

Nor is this Report a plea for continuation without change of current institutions. The present planning approach of the System envisions, and will facilitate, considerable change and adjustment within and among our institutions in the next decade. The Governor's assumptions, if relied upon to modify the character of our planning, become conclusions.

The dilemma, then becomes clear. If our fiscal experience of the 1973-75 biennium and our current fiscal prospects for the biennium just ahead represent the initial phase of a long-range judgment about the fiscal future of this System, then it is true that we should get on with closing programs and institutions in order to have sufficient internally-generated resources to sustain quality of services in those remaining.

But if directives are issued now to reduce the scope of the System over the next decade, then we will be reducing program range and access points at the very time more Wisconsin residents are seeking our services. Should we assume that the austerity of recent years, now projected for two more years, is our future? Or should we assume that there is still an intention and expectation that we will provide services and opportunities of quality to those who wish and can profit from them? And should we assume that there is still an intention on the part of the state to provide resources needed to make this possible?

As the Report makes clear, the latter assumptions are not iterated in a simple defense of the status quo. Our present planning approach envisions and will guide considerable change and adjustment within and among the institutions of our System in the next decade. But our present assumptions do not conclude that large scale reductions in scope should be initiated now, nor that decisions on the future of many of our institutions should be made now based on assumptions about the need and viability of these institutions and programs a decade or more hence. Such conclusions would represent a major change in the expectations Wisconsin has up to now held for its public university system.

The dilemma needs resolution. It needs a perspective that reaches beyond our current economic uncertainty and senses the long term impact of an altered priority and commitment to higher education.

IF it is the judgment of state government that the University of Wisconsin should now commence to reduce its scope as the only means by which the quality and services of the remaining institutions can be sustained, this needs to be clearly stated and directed as a matter of revised public policy.

While, as Regents and educators, we might disagree with the wisdom of such a choice, we would be bound by legislative mandate to implement it, Part Three of this Report outlines the criteria and procedures by which we would suggest to approach such a task if prescribed.

IF, on the other hand, it is the judgment of state government that the levels of access and quality historically provided should continue to be sought and supported by the State and the System, this needs to be reaffirmed and resources committed to this end as needed.

The Regents and the System have made significant strides since merger and are well along on a Systemwide planning and program review effort of unprecedented scale. This has been accomplished in spite of equally unprecedented budgetary constraints and fiscal emergencies on selected campuses. Current System planning efforts will, under less crisis-ridden conditions and some longer-term resource expectations, lead to changes in the status of a number of institutions to adapt on a properly-phased basis to changing conditions and expectations in society. Part Two of this report outlines the character and direction of our current approach to long-range planning and adjustment. Essentially the same criteria as found in Part Three would be utilized; the major difference is that we do not conclude the inevitability or immediacy of outcome which the Governor does.

This Report has been prepared in response to both Regent and Gubernatorial directives and in the spirit of laying the public policy choices clearly before the people of this state and their elected representatives. The decisions they make are of the greatest consequence for the future of Wisconsin and its public university system.

PART ONE: THE CONTEXT FOR LONG-RANGE PLANNING

PART ONE summarizes *five perspectives* on the demographic and educational context essential (a) to understand long-range planning in the University of Wisconsin System, and (b) to assess the implications of the Governor's long-range assumptions for the System.

The basic materials for PART ONE are drawn from the report of the System Advisory Planning Task Force. The "findings and conclusions" are those of the President of the System.

(The Governor's January 8th request appears as Exhibit A and President Pelisek's charge to President Weaver appears as Exhibit B in the Appendices.)

Perspective #1: LONG-RANGE ENROLLMENT PROJECTION ALTERNATIVES

As indicated in the summary and on page 19, a key assumption in the Governor's directive was based on projections of an eventual peaking of enrollment growth and the prospect of a post-peak decline. The projections relied upon were those prepared by the UW System to guide short-term budget decisions and longer-term facilities construction decisions. Up to now such projections were based primarily on birth rates and 18 year old age pools.

While there are more and less conservative approaches one could use in *making long-range enrollment projections, it does appear proper that the recent phenomenon of increasing numbers of older age groups entering or returning to universities be taken into account in considering the Governor's request.*

The graph on the following page identifies *four possible outcomes* in projecting enrollments for the next decade and beyond:

Line A represents the traditionally-based projections upon which the Governor relied in reaching his conclusions

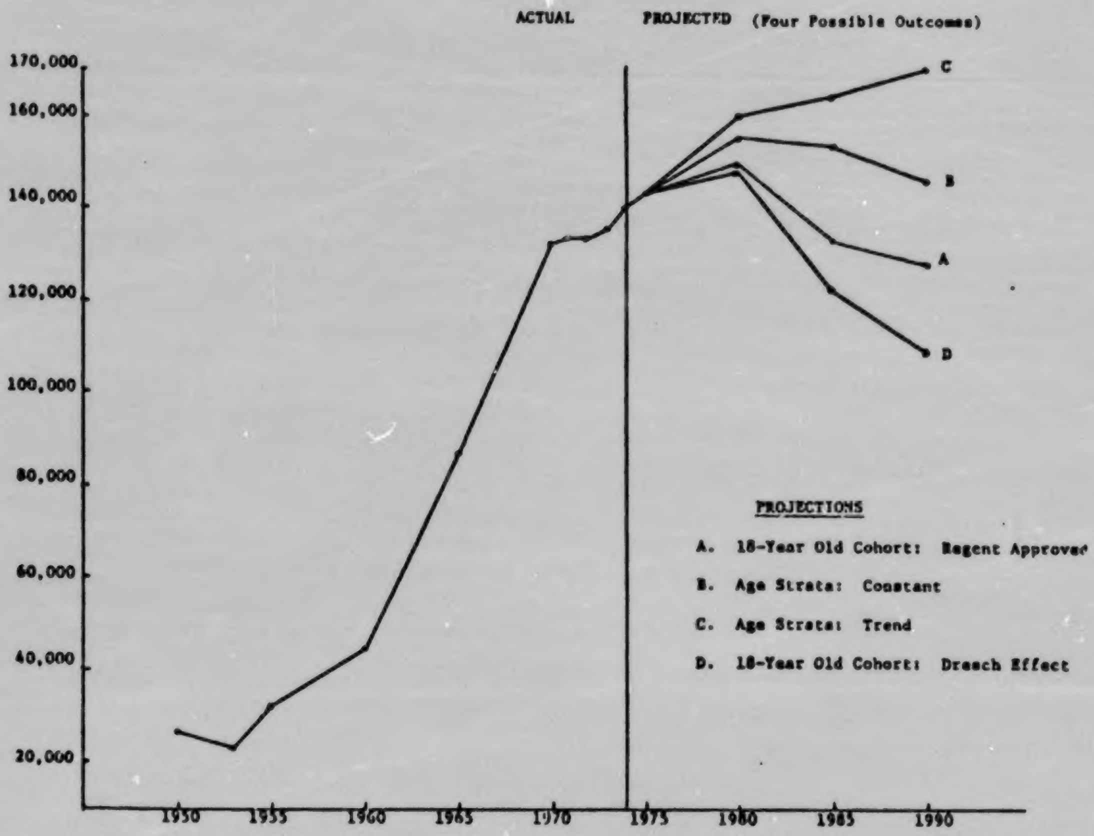
Line B represents a combination of the traditional birth rate/18 year old age pool methodology (Line A) and the effect if only the present percentage of age groups beyond 18 now enrolled continue to enroll in the years ahead.

Line C represents the Line B methodology adjusted to reflect an increasing proportion of the age groups beyond 18 enrolling; the rate of increase is an extrapolation of the actual rate experienced in the last four years.

Line D represents the most conservative methodology one could apply and is as yet not verified. It assumes a major impact from declining economic advantage for college and university graduates.

(See Appendix, Exhibit 5 for Supporting Data)

UNIVERSITY OF WISCONSIN SYSTEM
ACTUAL AND PROJECTED ENROLLMENTS



There are "intervening variables" which could affect any of these projections:

- Steps taken by government to increase or decrease the proportion of total cost of higher education borne by the students

- Changes in social motivations for higher education reflecting values attached to advanced education by the public and students of all ages

- Changes in the economic motivations for seeking higher education reflecting changes in actual or perceived economic gain from such education

- Steps by state government which require the U.W. System to limit admission to higher education in order to hold down public costs while protecting the quality of educational services

- Growth of alternatives to university-based postsecondary education including vocational-technical, private and proprietary institutions or forms of teaching and learning external to the campuses

Additional References: Task Force Book I, pp. I-2 to 4

President's Findings and Conclusions on Enrollment Projections

The current methodologies for projecting enrollments were designed to serve short-range (two years) budget funding needs and were extended out ten years for facilities planning. These methodologies are inadequate for longer range budget and program judgments relative to reducing the scope of the University System; they should be revised to reflect longer range enrollment impacts of post-18-year-old age groups at least in their presently-enrolled proportions (Line B on previous graph).

It would be short-sighted to assume in a society of increasing complexity that we will not face increased demand for all forms of post-secondary education and from all age groups. Projections beyond 1979 should be modified to reflect a more likely range of possible outcomes.

Perspective #2: THE INTERRELATIONSHIP OF EDUCATIONAL OPPORTUNITY, QUALITY AND COST

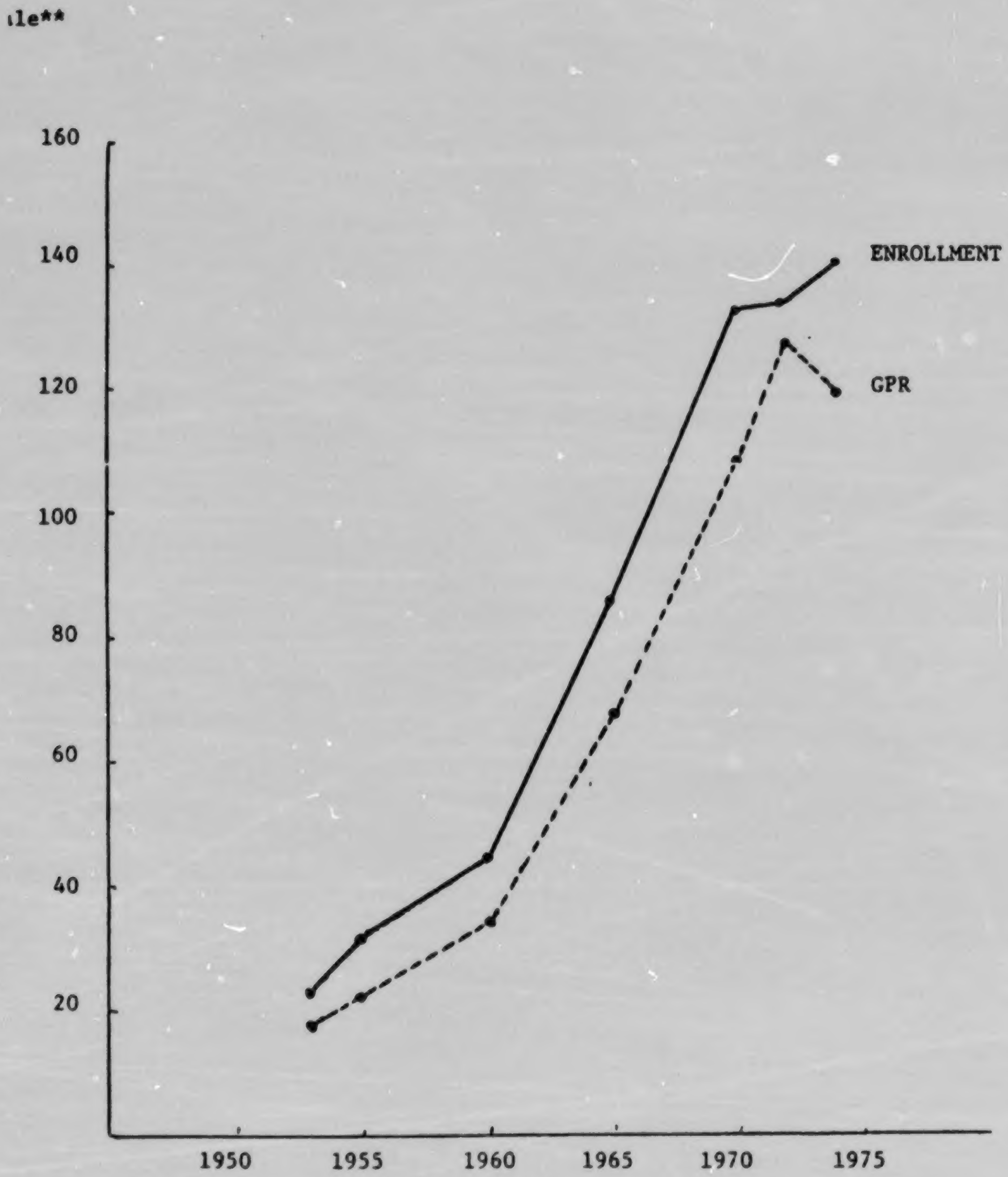
Public universities were founded to extend educational opportunity. Early in their history they reached a conclusion which has been sustained ever since: The opportunity they provided must be of good quality. As the System Planning Task Force observes, *higher education of low quality is a contradiction in terms.* The opportunity to study obsolete or unreliable knowledge is not opportunity at all, and access to an inadequate teaching and learning environment is counterproductive.

As enrollments in public universities expanded, public support expanded also. The public System became expensive, mostly because of growth in the number of students, partly because of inflation, and partly because advances in knowledge led to the need for more complex, extensive and costly teaching resources. Numbers of students was the key, however. It is important to note that while Wisconsin is currently second in the nation in per capita support for post secondary education, it is only 25th in the nation and below the national average in tax support for the instruction of each student. Nevertheless its universities have merited an excellent reputation for high quality instruction, research and public service. Its major comprehensive university, UW-Madison, has been consistently recognized as among the five leading public universities of the nation. and it currently brings more money for research into its state than any other university in the nation.

After decades of growth supported by the state, can the UW System provide educational opportunity of good quality for the increasing enrollments projected for the next five years on the basis of static or declining state support? The System Planning Task Force found this to be clearly impossible. After a base budget retrenchment of $21,500,000 in 1973-75, and an erosion of purchasing power due to inflation of $19,000,000, the System now faces serious erosion of quality in the biennium just ahead. The signs of erosion are not mysterious: reduced interaction between students and faculty; less counselling and advising for students; obsolescent equipment; substitution of demonstrations for hands-on laboratory work; lack of access to the best of current scholarly writing. All of these signs of erosion will be magnified if the universities seek to absorb projected enrollment increases with fewer staff and less teaching materials.

Page 3A which follows provides graphic insight into our currently increasing gap between growing enrollments and declining real dollar state GPR support. (It also appears as Exhibit 6 in the Appendix.

U.W. HEAD-COUNT ENROLLMENTS 1953-1974
U.W. GPR APPROPRIATIONS* (IN 1953 DOLLARS) 1953-1974



* Excluding Fringe Benefits.
** Students in Thousands, Dollars in Millions.

Access to genuine educational opportunity must be access to programs of quality. The UW System cannot absorb the additional enrollments expected with a static or declining base budget, without sacrificing the genuine opportunity represented by education of quality. In the short term, of course, universities will defer some needs, and make do with improvised responses to shortages of teaching equipment and supplies in order to protect their capacity to provide education of quality. In the longer term, if the relative level of resources is to be static or declining, quality can be protected only by reducing the level of access to educational opportunity.

Additional References: Task Force, Book I: Chapter II, pp. 2-7, Chapter VI, Section D; Chapter VIII, p. 2

President Findings and Conclusions: Access and quality have their costs and the following can be said about maintaining both, as the Governor's directive urges:

(a) Access to higher educational opportunity is a tragic and counterproductive delusion if the services are not of quality.

(b) If Wisconsin remains committed to access at current levels and to quality at no less than current levels, then public investment in university education, adjusted for inflation, will need to increase at some reasonable rate (though considerably less rapidly than in the last decade) to provide services of quality to existing and additional students and to fund fixed cost and staff compensation changes.

Perspective #3: THE INTERRELATIONSHIP OF CAMPUS SIZE, MISSION AND COSTS

The Task Force Report properly notes that per-student costs tend to rise rapidly on a campus with declining enrollments because fixed costs for the campus and incremental costs for sustaining its current mission breadth cannot be reduced in proportion to, nor with the immediacy of, the reduction in students being served.

The minimum size at which a campus can be both cost and quality effective cannot be calculated definitively and, assuming that the state wishes to sustain both present access points and campuses of varying size, has to be relative. Cost experience within the System and in other states does tend to suggest the following generalizations:

a. A multi-purpose university with a limited range of first level graduate work in addition to a reasonably broad undergraduate curriculum can be cost and quality effective with 5,000 FTE to 7,000 FTE students.

b. With a reduced range of undergraduate and perhaps one or two graduate programs of an umbrella variety, a multi-purpose university can still remain cost and quality effective with 3,000 FTE to 4,000 FTE students.

c. A relatively limited purpose, four-year college can be cost and quality effective with 2,000 FTE to 3,000 FTE students.

d. A limited purpose two-year campus providing resident instruction can be cost and quality effective with a minimum of from 250 FTE to 350 FTE students.

Additional References: Task Force, Book I, Chapter II, pp. 8-9; Chapter IV, Section E.

President's Findings and Conclusions: Assuming that, even in a period of continued enrollment growth for the System, some campuses may experience enrollment decline, two actions would be necessary given limited resources:

(a) A four-year campus facing declining enrollments must initiate reductions in the breadth of its mission, the range of its programs and the complexity of its organization in order to remain both cost and quality effective.

(b) To facilitate such adaptation of missions and programs, a campus must be able to effect changes in an environment where four-year expectations of resources and enrollments are carefully designed, managed and assured. Anything less will only elicit crisis responses and other actions which do not promise either cost or quality effectiveness.

Perspective #4: THE INTERRELATIONSHIP OF ACADEMIC PROGRAM SIZE, QUALITY AND COST

The Task Force pursued an investigation of the interrelations of academic program size, quality and cost because of the frequent concern expressed over "unnecessary" program duplication. It is important to recall that program duplication is both proper and natural in a multi-campus system of universities. Indeed, the core missions of the various institutional clusters represent an expectation that certain programs must and will be made available (i.e. duplicated) in all institutions.

The problem arises when an academic program either in the basic curricular offerings or in the special or select mission emphasis of a campus has a relatively small number of majors. The problem is accentuated when the academic program is a particularly costly one even with capacity usage, or when it is one of a limited number in the System and has considerably less utilization than its counterparts elsewhere.

President's Findings and Conclusions:

(a) Any university's mission in maintaining the basic disciplines appropriate to its core mission, nourishing our cultural heritage and in advancing the frontiers of knowledge will require some programs which may not be cost effective at particular times in terms of numbers of students, but which must be present and be quality effective. They must be sustained.

(b) Because faculty for a program with few majors may, in fact, carry a much heavier "service load" in support of other majors, or be drawn from faculty hired primarily or jointly for other majors (as a more productive technique), the judgment that a given academic program may be "too small to be cost effective" must be examined with particularity (i.e. not in isolation).

(c) Graduate programs cannot always be viewed independent of undergraduate programs or of related institutional missions (e.g. research).

(d) Conclusion: Academic programs with few majors should continue to be examined relative to their quality and cost effectiveness. If quality cannot be maintained at reasonable cost and if the program is not intrinsic to the core mission of the institution, the campus should initiate its phase-out.

Perspective #5: UNIVERSITIES AND THE CHANGING NEEDS OF SOCIETY

The fifth and final perspective comprising the context for long-range planning in the University System suggests that societies facing complex problems have an increased need (rather than a diminished need) for expanding their knowledge base and equipping their citizens with advanced education.

It is conceivable that reducing the scope of an advanced knowledge network (the universities) in response to current economic difficulties may serve to prolong and intensify the problem rather than help to solve it. In a word, there is considerable evidence to suggest that such a step would be "counter-productive."

It is our experience that the rapid growth in societal need for knowledge and knowledge workers and the rapid change in the complexity and scope of the knowledge relevant and responsive to that need, create intense pressure for change in: teaching and learning methods; organization and focus of curricula; adaptation and focus in research and scholarly activity and new efforts at the rapid dissemination of knowledge to affected persons and groups. In short, universities in the next two decades must remain intellectually rigorous and curricularly responsive in meeting the changing needs of society. Adaptation does not imply loss of the essence of a true university---a public university is scholarly energy devoted to the public good. Its ideas and its spirit must be free, but it cannot ignore the changing needs of the society which charters it.

Effective change in universities is more evolutionary than revolutionary. It is better encouraged, than mandated. It is a function of long-range planning and incentives, not short-range constraints and excisions. Some argue that universities never change or that they change only when threatened; both views reflect impatience rather than fact.

Additional References: Task Force, Book I; Chapter II, Prologue; Chapter V, Section D.

President's Findings and Conclusions: The Regents of the merged System have sought to fashion a planning environment which facilitates adaptation and change within the System.

(a) It is our conviction that the incentives for change (and thus change itself) have been diminished by public policy which mandates and extracts "savings" in advance.

(b) Effective efforts by the University System to sustain quality and access while reducing costs for existing programs should be rewarded by allocation of resources thus assembled to support of educational changes needed by society.

(c) At the same time, the state must from time to time be willing to invest additional funds in the University System quite unrelated to fixed cost and workload items. It must be willing to invest in research, in the development of new educational delivery systems and in other new ventures which must be proved before old ways are set aside or modified.

NOTE: Another perspective (economic impact of campus closing on its host community or region) was furnished just prior to preparation of this report. It is Book III of the Task Force reports and a summary appears as Exhibit 7 in the Appendix to this report.

PART TWO: PRESENT LONG-RANGE PLANNING ASSUMPTIONS OPERATING IN THE U.W. SYSTEM

A. Introduction

PART TWO responds to the expectation of Board President Pelisek (see letter of March 28, 1975, Exhibit 3, Appendix) and of the System President that the Governor's request and his assumptions concerning long-range planning for the System should be examined by state government and the public *in relationship to the present planning assumptions and efforts of the U.W. System itself.*

In this way the people of Wisconsin and their elected representatives can best judge whether the present public policy assumptions of the U.W. System merit support, or should be now changed by directives from state government to reduce the scope of the System in specified ways.

As the basis for such a judgment, the University of Wisconsin System in PART TWO states the long-range planning assumptions it is currently using and recommends as wise public policy for Wisconsin. The present activities to implement these assumptions are set forth briefly, together with some suggestions for establishing a more effective planning relationship with state government. The fiscal implications of the present assumptions and suggested improvements are stated along with the type of legislative action which would best undergird this approach.

B. Present Planning Assumptions of the U.W. System

1. The U.W. System believes that it is wise public policy for the State of Wisconsin to continue to seek maximum feasible access for Wisconsin citizens to higher educational opportunity of good quality, and to the public benefits which flow from the advancement of knowledge.

2. The System assumes that the maintenance of such access and quality requires continuing an array of institutions sufficient to assure:

    (a) Access to instructional environments of varying size, purpose, and complexity;

    (b) Regional service to commuter populations and to enhancement of the intellectual, cultural, and economic life of regions of the state;

    (c) Focused attention to the needs of urban populations and the problems of urbanization;

    (d) Enhancement of the research, and graduate and advanced professional instruction which assists Wisconsin and the nation in the advancement of learning, address to societal problems, and preparation for the future;

    (e) Enhanced effort to make resources of knowledge and instruction available to Wisconsin citizens and agencies.

3. The System assumes responsibility to achieve provision of such services for the people of Wisconsin at the lowest feasible cost consistent with good quality. To this end, the System has initiated and will intensify efforts to phase out, phase down, or otherwise change institutions and programs which fail to meet reasonable performance expectations in terms of costs, productivity, quality, responsiveness to societal need, or mission centrality, and to transfer resources from lower priority effort however meritorious, to higher priority efforts requiring such resources.

4. The System assumes that effective long-range planning, and effective management of fiscal, human, and physical resources are prerequisites for efficient and productive performance.

C. Present Processes to Control Costs While Being Responsive to Societal Needs

It needs to be emphasized that during the period of crisis management of the last four years, now projected into the coming biennium, the University System and its institutions have moved on multiple fronts to strengthen their planning, management of costs, and adaptation to emerging societal needs.

These achievements, realized under conditions of maximum fiscal uncertainty and uncertainty as to public policy concerning higher education, underline the fact that the System and its institutions have sought to create an environment within the System conducive to effective planning, productivity, and resource management. If this initiative for planning and educational performance could be reinforced by more stable public policy and fiscal relationships with state government, major benefits to the state would follow.

A quick summary of what has been accomplished by the System and its institutions to this time follows:

1. Core missions have been established for each of the three clusters of institutions in the System, and select or special missions for each institution.

2. Each institution has carried out a "zero base" review of all its instructional and support activities. In addition to meeting productivity requirements placed by the State, through phase out or phase down of low priority activities, institutions have reallocated some $7.5 million from lower priority activities to higher priority programs more responsive to current societal need. It should be noted that significant reallocations of base funds between institutions have been implemented to target available resources for instructional needs: $1.5 million has been reallocated from developing institutions and the Center System to other institutions in the University Cluster.

3. Rigorous review of all new program proposals has been established; only programs meeting the most severe tests at the school/college, institutional and System levels are now brought to the Regents for first reading, final discussion, and action. While the initiative of faculty to respond to societal need through programmatic change will continue to be emphasized, the reconciliation of such proposals with their cost implications imposes limitations on System ability to accede to such requests.

4. Audits and reviews of all master's and specialist programs have been completed through the initial phase. Some 49 programs have been phased out. In seven cases, program consolidations have taken place. An additional 78 programs marked for regional review are receiving such scrutiny this year, and 60 programs placed on probationary status will be reviewed again in 1975-76.

5. Audits and reviews of all doctoral and undergraduate programs, and Phase II of the master's audit have been started. Progress reports will be presented to the Board in late 1975, and most campuses will have completed first round audit and review in 1976.

6. All campuses now have in place procedures for continuing audit and and review of all academic programs.

7. Systemwide examinations of unprecedented thoroughness have set the stage for effective long-range planning in the following areas: Health Sciences, Computing, Engineering/Technology, Agriculture, Business Administration, Teacher Education, Minority and Disadvantaged Programs, Women's Studies, and Ethnic Studies. Comprehensive Task Force Reports in eight of these areas have been received by the Regents and are now under study by System and Central staff for application to planning decisions.

8. New faculty personnel rules for the System have been completed and placed in the State Administrative Code. Academic staff personnel rules are nearing completion.

9. The Regents have adopted System policies on: minority and disadvantaged programs, affirmative action, women's programs, student evaluation of instruction, interim guidelines on student participation in governance, and on admissions and credit transfer.

10. All campuses are preparing ten-year academic plans as inputs to the development of the Long-Range Academic Plan (LORAP) for the System.

11. Interinstitutional cooperation within the UW System promises additional benefits from existing resources: statewide library resources are being developed and shared through the Wisconsin Inter-Library Loan Service; a post-merger, student credit transfer policy contributes to cost savings for both the individual student and the institutions.

12. Cooperation and coordination with other educational systems offers significant educational benefits: the Wisconsin-Minnesota Compact has established an important basis for institutional cooperation between the two states; the Michigan-Wisconsin border agreements pertaining to program and residency status of UW Center-Marinette and UW-Green Bay facilitate interstate student flow while reducing program redundancy; the participation of UW-Superior in the Lake Superior Association of Colleges and Universities, and in the Twin Ports consortial activity involving the College of St. Scholastica and the University of Minnesota-Duluth, has significant potential for the future of higher educational opportunity in northwestern Wisconsin.

13. Integration of planning effort with Wisconsin agencies having involvement in educational policy formulation has been upgraded. Among those units and agencies of state government with which an increased level of interaction has been beneficial are: WBVTAE (Wisconsin Board of Vocational, Technical and Adult Education); Educational Communications Board; the Higher Educational Aids Board; the State Manpower Council; and the Wisconsin Environmental Education Council.

14. Reviews of pre-merger policy statements involving the following are underway and at various stages of completion: Student Disciplinary Guidelines; Graduate Guidelines (Chapter 37); and Educational Code and Percent Limitation by Rank Policy (Chapter 37).

15. An Academic Planning Statement Series has been inaugurated with two statements now approved by the Board and two more to be presented for first reading in April, 1975:

    ACPS-1, University of Wisconsin Planning Principles. (Approved)
    ACPS-2, The Application of Job Market and Placement Information to Academic Planning. (Approved)
    ACPS-3, Faculty Development and Renewal: An Issue for the 1970's and Beyond. (First reading, April, 1975)
    ACPS-4, Academic Year Definition and Assorted Derivatives. (First reading, April, 1975)

16. To facilitate the flow of information between the institutions and the Office of the Senior Vice President for Academic Affairs, an Academic Informational Series was initiated. Two papers have been distributed to the System to date:

    ACIS-1, Academic Program Guidelines
    ACIS-2, Policy Regarding Offering of Undergraduate and Graduate, and Other Instructional Programs Beyond the Boundaries of the State by UW System Units.

17. Special academic program analyses have been completed in the areas of Law and Criminal Justice in connection with long-range planning of the System.

D. Further planning steps proposed by the U.W. System to strengthen efficient management of resources and educational performance

1. A recommendation to strengthen performance and development of *regional consortia:*

    a. Observing the effective performance of the voluntary association developed by the West Central Wisconsin Consortium (WCWC), the Regents should now move to identify this organization as a continuing structure for planning, coordination, resource sharing, and program review in the West Central Wisconsin region.

b. Specifically, membership in WCWC should be a continuing obligation of the universities now involved, with flexibility for additional membership as the Consortium may approve. The Consortium should be given responsibility for regional academic planning and should bring to the Regents, via the President on behalf of its member institutions, proposals on program consolidation, phase out, or initiation, as well as proposals on shared support service and support service consolidations. In recognition of the regional planning effort, Central Administration will place increased weight on the majority recommendations of the Consortium. If the System's proposal on establishing enrollment and resource targets for campuses on a four-year front is affirmed, WCWC should be asked by System Administration to recommend such targets for its member institutions within regional targets set by the System, and within any policy guidelines established by the Regents.

c. Preliminary discussions are continuing concerning three additional configurations of consortia: A Northeastern Wisconsin Consortium of UW-Oshkosh, UW-Green Bay, and UW-Stevens Point; a Southern Wisconsin Consortium of UW-Parkside, UW-Whitewater, and UW-Platteville; and an Urban Corridor Consortium of UW-Parkside, UW-Milwaukee, UW-Green Bay, and UW-Oshkosh. Discussion pursuant to formalizing cooperative relationships for those configurations which can produce results should lead to a planning report to the Regents for their January, 1976 meeting.

2. A recommendation on the feasibility study of *consolidation of UW-Superior and UM-Duluth*

a. Recognizing the need to maintain a major university center in the sparsely populated but important region of Northwestern Wisconsin and Northeastern Minnesota, and recognizing the feasibility study on possible consolidation of UW-Superior and UM-Duluth now underway as a means of achieving this goal efficiently, it is recommended that the Regents and state government now endorse in principle the concept of consolidation. Should current studies indicate the feasibility of consolidation, enabling legislation for final planning should be brought to the 1977 session of the Wisconsin Legislature with a goal of formal consolidation in 1979. Consolidation could take either the form of "confederation" or of "merger," whichever proves more feasible.

b. The Regents, Central Administration, UW-Superior, and state government should initiate discussions with counterpart persons and agencies in Minnesota pursuant both to exploration of the feasibility of the goal set in 2.a. above, and as a contribution to the feasibility study now undertaken by the Lake Superior Association of Colleges and Universities.

3. System reinforcement of campus-based audits and reviews of programs to facilitate *phase out or transformation of unproductive, low quality or unnecessarily duplicative programs*

   Recognizing that the institutional audits and reviews now in process do not fully meet the task of reviewing program areas replicated in several institutions, it is recommended that the Central Administration initiate in 1975-76 a limited range of lateral audits of program areas selected by preliminary screening of such areas for indicators of productivity, cost, and quality, and that recommendations based on such audits be brought to the Regents during the 1975-76 fiscal year.

4. Strengthened inter-System *resource sharing with VTAE*

   Recognizing the effective cooperative planning now underway in the three joint administrative committees maintained by the University System and VTAE, it is recommended that each of these committees undertake in 1975-76 one or more task force studies of program relationships in specific program areas served by both Systems. Reports including recommendations as to the means by which more effective resource sharing could be achieved should be brought to the two Boards.

5. Increased recognition of the total educational resources of the State

   Recognizing that efficient management of State resources requires a greater awareness of the academic program offerings of the State's *private colleges and universities,* the University of Wisconsin plans to encourage active participation by these colleges and universities in its long-range academic planning efforts. Ideally, cooperative and coordinated planning between the University of Wisconsin campuses and the private colleges and universities should be undertaken at the regional level (as part of the consortial efforts).

   As an initial step, it is recommended that Central Administration initiate discussions with the Executive Director of the Wisconsin Association of Independent Colleges and Universities for the purpose of developing an appropriate forum in which information exchange and coordinated planning can be pursued.

E. Improving the Planning Environment--Background and a Proposal

1. Background

a. For two decades following World War II, public universities in Wisconsin and the nation worked within a reasonably clear relationship with state government as to expectations held for their performance, and the basis from which their resource requirements would be met. This was a period of rapid growth. Increased resources did not always meet fully the dimensions of this growth, but the base budgets of universities were generally expanding, and ongoing commitments to faculty and staff, to instruction, to instructional support, and to support services could be honored. The two major base points for effective long-range planning were available, in the sense that:

(1) At least the floor expectation concerning fiscal resources could be anticipated for a four-year period.

(2) The probable level of enrollments and distribution of enrollments could be anticipated.

b. In the last decade, but more particularly in the last four years, one key prerequisite for effective planning and resource management has largely disappeared. Far from being able to anticipate resource expectations on a two- to four-year projection, the University System has faced year-to-year, and sometimes month-to-month uncertainties.

- Retrenchment requirements in base budgets (e.g., productivity savings) have been overlaid atop earlier forced savings requirements.

- Midstream and midyear austerity programs have required return of millions of dollars in committed funds to the state treasury.

- Tightly-drawn formulas for funding the incremental costs of additional student enrollments were established by state government in one biennium, partially suspended in the next, then abandoned without replacement in proposals for the upcoming biennium.

This circumstance has produced an environment which seriously undermines effective long-range academic planning and effective resource management. *Crisis management of programs and resources means that programs and people are sometimes cut in terms of their vulnerability to immediate fiscal necessity rather than in terms of carefully thought through planning and phased implementation of appropriate changes.*

c. The rapid changes in the basis for U.W. System fiscal expectations have been matched by equally rapid and unpredictable changes in the basis for accountability. While the System has moved to establish a Central Information System, which can efficiently deliver the basic information on university operations required for effective System management of resources, it has concurrently received or been subjected to:

- a constant flow of ad hoc requests for data requiring the production of special reports from all of its institutions;

- mandates to perform special studies requiring hundreds of hours of staff and faculty time, most of which seem to have had no consequential relationship either to effective university planning or to public policy;

- a barrage of external analyses of its academic operations and frequently without comment or review by university people most knowledgeable about the area under study.

Again, hundreds of hours of staff and faculty time have been consumed in correcting erroneous assumptions, dubious data interpretations, and unworkable hypotheses flowing from such vagrant studies.

The net effect has been an environment which has diverted immense amounts of university energy away from productive planning and administration to diffuse, unpredictable, and unproductive activity. The issues raised are those of accountability and cost-benefit. The U.W. System and its institutions seek to be accountable. To be so they need the opportunity to establish with state government, acting in a spirit of common concern for the public interest, the kinds of information and reports which will provide for such accountability. Effective planning of the use of staff and faculty time, of resources, and of resource needs would be enhanced by such an environment.

d. Responsibility for decisions on the scope of the University of Wisconsin System, the expectations held for the performance of that System, and the resources to be made available to that System *are matters of public policy.* The University System will be guided by the determinations of state government, as representatives of the people, on such public policy matters. But if it is an expectation of state government that the University System will plan effectively the use of resources made available, and manage these resources wisely, then a new planning relationship between state government and the University System must be established.

2. A Proposal for a 2+2 Planning/Budget Cycle

Recognizing both the immediate fiscal problems associated with recession, and longer term problems associated with the costs of public services, *the University System most urgently advances the following proposal for establishing a new planning and performance relationship between the System and state government which will enhance wise planning and management of resources.*

a. Purposes

(1) To make rational and effective planning of resource allocations possible;

(2) To assure orderly and cost and quality effective adaptation of institutional missions and programs to enrollment and resource targets;

(3) To establish a process supporting the transformation, phase down, or phase out of programs or campuses not meeting reasonable cost and quality standards;

(4) To permit development of a University System capable of orderly adaptation to the future needs of society, both as these are experienced and as they may be anticipated.

b. Provisions

(1) In keeping with the spirit of s. 16.42, Wisconsin Statutes and in an extension of that goal-objective-performance approach to state budgeting, the U.W. System will submit biennially a 2+2 budget proposal (or contract) covering a four-year, rolling base period.

(2) In its 2+2 proposal, the System will:

  (a) *Establish campus-by-campus enrollment targets by level and program mix.*

  (b) *Define the incremental missions beyond the core instructional mission for each campus.*

  (c) *Identify annual fixed and incremental costs related to (a) and (b) above, on a two-year plus two-year basis and specify all other budget increase requests (e.g., compensation and new and changed services) on a two-year only basis (as at present).*

  (d) *Propose GPR/Fee shares of ongoing instruction related budgets.*

  (e) *Define implications for campus planning including the time table for decisions on adjustments needed to maintain balance between program activities, maintenance of quality, and resource forecasts.*

  (f) *Specify performance targets and yearly benchmarks for the campuses in relation to both the core instructional mission and incremental missions.*

(3) If this proposal is accepted the State of Wisconsin would then review the 2+2 budget proposal and, resources permitting, will:

  (a) *Identify two years certain, plus an additional two-year tentative budget authorization for fixed cost and workload increase (e.g., enrollments) under the conditions in (2)(a-c) above.*

  (b) *Act on balance of budget request (e.g., compensation and new and changed services) in regular fashion.*

  (c) *Confirm GPR/Fee revenue requirement for biennium (plus tentative policy for second biennium).*

  (d) *Specify any special "forced savings" requirements on a 2+2 basis.*

The University System understands that no legislature can commit funding for more than two years, nor can the state any more than the University System be free from such fiscal crises as may flow from an event such as the current recession. Neither the state nor the University System can expect to be wholly free from annual or biennial crises concerning resources or unanticipated problems or needs. Nevertheless, it is possible to normalize the basis for resource expectations on the part of the System by projecting the policy bases for such expectations on a four-year front, and by annual updating of the projections to maintain a four-year front on the development of new bases for funding and the time when these became applicable. The result would be a stable environment for planning in which resource abberations would be exceptions rather than the rule.

F. Long-range fiscal implications of the planning assumptions made by the U.W. System and the proposal for an improved environment for planning and management made by the System.

1. If the state affirms the public policy assumptions recommended by the U.W. System and the funding implications of maintaining levels of access and quality contained therein, the fiscal implications would be as follows:

    a. University resource requirements, as represented by current budgets, adjusted for price increases and compensation adjustments, would increase modestly to support the marginal costs of new students and other workload. The rate of increase would be sharply less than that experienced in the period of rapid growth from 1946 to 1970.

    b. The planning relationship proposed between state government and the System would assure the most cost effective use possible of current resources of personnel and facilities.

    c. To the extent specified by state government, moderate requests for additional resources beyond those needed for maintenance of access and quality would be forthcoming from the University System, subject to specific review by state government.

AN IMPORTANT TRANSITIONAL NOTE:
THE RELATIONSHIPS OF PART TWO AND PART THREE

In one important way the planning assumptions and processes of the Regents as presented in PART TWO could lead to certain changes in the University System similar to those which would follow from the Governor's assumptions and the actions needed to sustain his assumptions:

- The Regents have been, and are prepared to provide alternative educational use, or to phase out, any U.W. Centers not meeting quality-cost-size criteria identified in this Report.
- The Regents are prepared to change the mission and reduce the scope of any university when four-year enrollment projections and fiscal projections make such phase down desirable in order to sustain quality at a reasonable per student cost level for the university.
- The Regents, the System, and the institutions, will continue to phase out or alter programs which do not meet reasonable tests of quality, cost, productivity, responsiveness to societal need, or centrality to mission.
- Any resources freed by such steps will be directed to high priority needs to sustain the quality of the System and its responsiveness to newly emerging needs of the people of Wisconsin.

In other important ways the planning assumptions and processes of the Regents differ markedly from the Governor's fiscal assumption (stated in PART THREE following), the public policy implication of his assumption, and the legislative action which would be indicated now if the Governor's assumptions are sustained. These differences can be set forth in a summary way:

1. The Regents assume that it is in the public interest for the state to provide the resources needed to sustain citizen access to higher educational opportunity. Given the projected enrollment increases of the next five years, this will require marginal investment of state resources above those needed to sustain quality in the System at its present level of service.

   The fiscal assumption in the Governor's request to the Board of Regents is that such resource expectations either will not, or should not, or cannot be met, and that therefore the System should now move to reduce its scope and range of educational opportunity and service.

2. The Regents propose a planning process which would enable the System to move on a four-year front on reductions in scope when and if state projections of resource expectations, or when and if projections of declining enrollments could be made.

   The fiscal assumption in the Governor's request is that static or declining resources can or should be projected now for the next several biennia, and that direction to reduce the scope of the System should therefore be given now.

PART THREE: CRITERIA AND PROCEDURES FOR IMPLEMENTING REDUCTION IN THE SCOPE OF THE UW SYSTEM UNDER THE GOVERNOR'S FISCAL ASSUMPTIONS

A. Assumptions Underlying the Governor's Request

Based on the content of his January 8, 1975 letter as amplified in subsequent staff discussions, the following assumptions can be identified as initiating the Governor's apparent conclusion that the public interest of the State of Wisconsin will be best served if the present scope of the University System is reduced over the next decade:

1. In the Governor's judgment, the state's priorities in allocating the tax resources available to it will not sustain support for the University System over the next decade at a level sufficient to maintain its present scope and quality. The *most* the University System can expect in this period is additional support to cover salary increases and inflationary price increases. (The Governor's budget recommendations for 1975-77 do not cover price increases.)

2. Enrollments will decline in the decade of the 1980's and fall below levels which justify the present array of institutions and programs.

3. Resources required beyond the levels stipulated in A.1. to sustain quality, meet workload increases, and support needed program changes must come primarily from retrenchment of the current base budgets of institutions and programs.

B. The Findings of the University System

1. University System studies do not sustain the anticipation of *enrollment declines* as a basis for reducing the scope of the System. Unless restricted or depressed by admission restrictions or increasing cost barriers, enrollments will rise for the next five years, and may rise, remain relatively constant, or decline, after 1983. Decisions now to anticipate enrollment declines after 1983 would not be warranted.

2. If the Governor's assumption about the *level of fiscal support* possible in the next decade is sustained by the legislature, then reduction in the scope of the System would be warranted. It is not possible to maintain quality, meet workload increases, and meet new program needs for all of the current institutions and programs on the basis of static or declining resources.

3. *Closing or phasing down institutions or programs* in order to free resources to sustain the remaining institutions and programs can only be effective if "phase out" or "phase down" decisions are accompanied by "phase down" of access to higher educational opportunity for some Wisconsin citizens, and phase down of employment for faculty and staff.

   Task Force studies indicate clearly that "phase out" or "phase down" decisions do not free up significant dollars if the students displaced are given access at other institutions in the System. Reducing the scope of the System to free up dollars means reducing the scope of educational services to some Wisconsin citizens.

C. Public Policy Implication of the Governor's Fiscal Assumptions

The major public policy decision placed before state government by the Governor's fiscal assumptions is whether:

1. *It judges the U.W. System's fiscal and enrollment prospects for the next decade to be sufficiently uncertain as to warrant the immediate initiation of steps to reduce the present scope and access points of that System in order to sustain quality with extremely limited resources.*

2. *It judges the state to be better served by reaffirmation of its traditional priority commitment to provide higher educational opportunity and services of quality to those people wishing and able to benefit from them, affirmation of the System's present planning approach and the resource requirements inherent in such an approach.*

D. Recommendations of the University of Wisconsin System

IF STATE GOVERNMENT DETERMINES THAT IT IS IN THE PUBLIC INTEREST TO AFFIRM THE GOVERNOR'S FISCAL ASSUMPTIONS, THEN:

There *should be a legislative finding to that effect and a legislative mandate to the Regents to proceed to implement reductions in scope* under a public policy determination that for fiscal reasons, access to higher educational opportunity in the State of Wisconsin should be reduced.

If a legislative mandate to reduce the scope of the System is to be given, then the U.W. System recommends that the mandate be given for one or more of the following classes of decisions to be taken in the order in which these classes of decisions are here listed:

1. A mandate to phase out, or otherwise provide alternative use for a specific number of U.W. Centers selected on the basis of criteria stated in this report.
2. A mandate to phase out or phase down one or more University Cluster campuses to be selected on the basis of criteria stated in this report.
3. A mandate to phase out, phase down, or consolidate programs in the Doctoral Cluster, University Extension, and other institutions not affected by Steps 1. and 2. above.

In addition, the U.W. System would expect to accomplish concurrent reductions in Central Administrative costs.

For each class of decisions presented above as a possible consequence of affirmation of the Governor's fiscal assumptions, the following information is provided in Subsections I-III which follow:

1. A statement of the *criteria* recommended for selecting the units to be affected.
2. A statement of the *procedures* to be followed in reaching a final decision.
3. A statement of the *form of the legislative mandate* which would direct and authorize the Regents to proceed with each of the classes of decisions possible to reduce the scope of the System.

I. THE CENTER SYSTEM

(For relationships to PART TWO planning activities, see transitional note on page 18.)

A. The Criteria

If the decision is to phase out or devise alternative uses of selected Center campuses, the following criteria should be applied:

1. The first campuses to be examined for a change in status should be those:

    (a) Whose current or projected enrollments on a four-year front fall below 250 students (FTE), and/or

    (b) Whose current or projected composite support indexes are more than 20% in excess of Center System average.*

2. In determining the order within any group of Centers selected by criteria 1(a) and (b) above, and judging the best option for any Center being examined, the following additional considerations should be applied:

    (a) Location vis-a-vis other public campuses and educational services.

    (b) Relationships in terms of full-time and part-time students, program completion and transfer rates, commuting and residence proportions, presence of System or region unique programs or services;

    (c) Relationships among size, cost, and quality.

Current costs (as measured by a Composite Support Index) and current and projected enrollments for all Center System campuses are listed on the following page in descending cost order; those whose cost indexes exceed the Center System average by 20% are asterisked.

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* This 20% threshold is intended for use in initial (1975-77) considerations only; a more suitable method may evolve as we gain experience. The range of campus enrollment size in the Center System is so great that there is danger of a repeated "averaging down" if higher cost campuses are eliminated.

Center Campus	1974-75 Cost Index	1974-75 FTE Enrollment	FTE Enrollment Projections 1980-81	1982-83
Medford*	62.35	115	113	107
Baraboo*	58.08	230	227	215
Richland*	50.80	247	253	240
Marinette	50.10	256	280	266
Marshfield	47.09	338	396	376
Rock	46.93	396	400	380
Barron	44.87	458	492	467
Sheboygan	43.34	451	500	475
Marathon	42.56	656	673	638
Washington	42.47	418	446	423
Fond du Lac	39.41	560	595	565
Manitowoc	35.16	288	259	245
Waukesha	34.17	1,256	1,298	1,229
Fox Valley	34.03	468	393	373

B. The Procedures

Campuses selected under the appropriate legislative mandate and application of criteria should be examined prior to final decision through the following procedures:

1. *Step 1*: Investigation of alternatives

The Regents should explore each of the following alternative futures for the selected Center, seeking an appraisal of the feasibility of each, and the relative merit of each feasible alternative:

(a) Reduced curricular breadth: Historical efforts to provide a freshman-sophomore curriculum at each Center which is reasonably comparable to the basic lower division curriculum at a typical university of the System has meant considerably higher cost at the smaller Centers.

It would be reasonable to simulate a reduction in the curriculum at a selected Center to judge whether or not the curriculum that could be maintained within the cost-threshold set by the Regents' criterion would provide a good quality, although limited two-year program for students and would make it possible for such students to complete baccalaureate programs in the liberal arts within the U.W. System without loss of time.

This option would not reduce the institutional scope of the System but it would reduce the program scope of the selected campus and reduce the State's financial commitment through time to the selected Center.

(b) Alternative educational use option: If option (a) is not feasible, the Regents should examine two forms of alternative educational use for the Center campus, testing each as to its cost-effectiveness in delivering educational services within the cost thresholds for continued System operation:

(1) Conversion of the Center into an Adult Education and Learning Resource Center operated by University Extension. It would appear to be feasible to establish some level of continuing educational use of a Center campus at costs within the Regents' thresholds. An experiment could be undertaken as to the possibility of providing good quality lower division work through use of a limited number of resident mentors aided by commuting faculty or mediated instructional programs.

(2) Establish coordinate campus relationships with VTAE, providing for joint operation of the Center under a common taxpayer support formula; or simply change to a VTAE institution either with or without entitlement to carry on a lower division college transfer program. Under a transfer to a VTAE district carrying a college transfer entitlement, the per student cost to taxpayers for the college transfer program would be higher than under options (a) and (b) because of the VTAE formula for instructional support, but the scope of the University System would be reduced.

(c) Phase-out option: Since options (a) and (b) would not free net resources to sustain the quality thresholds at other institutions of the System, the Regents would also consider phase out without provision for alternative educational use. Such phase out would assume a public policy position that access to opportunity needed to be constrained in order to sustain quality in a residual U.W. System.

Alternative uses for Center facilities would, of course, be sought in cooperation with local and state government (e.g., private business, a federal manpower retraining center, a rehabilitation center), but the availability of such options would not determine the decision.

2. *Step 2*: Preliminary determination of the preferred option.

Having explored with staff, affected faculty, and the community the available alternatives for use of the selected Center, the Regents should arrive at a preliminary determination of the option which, on balance, best serves the public interest of the State of Wisconsin.

3. *Step 3:* An open hearing in the affected community.

Having made its preliminary determination, the Regents should convene an open hearing in the affected community, both to discuss the alternatives explored, and to receive public testimony of the alternatives and the preliminary decision.

4. *Step 4:* Decision

Following the open hearing, the Regents should reach a final decision on the option to be pursued, including specification of the legal or policy steps needed to implement the decision, and the time line to be followed in implementation.

C. Appropriate Legislative Action

The appropriate legislative action to implement the foregoing procedures could take one of the following forms:

1. "The legislature directs the Regents to proceed during 1975-77 with decisions to phase out or otherwise change the use of Centers failing to meet performance criteria set by the Regents. Such decisions should be implemented on a time schedule to be established by the Regents.

   Notwithstanding s. 36.09(1)(g), Wis. Stats., the Regents' decisions on phase out or alternate use of Centers shall be final."

2. "The legislature directs the Regents to proceed during 1975-77 with identification of those Centers not meeting performance criteria set by the Regents, and decision on the most desirable course of action to follow for such Centers. The Regents have authority to proceed with decisions regarding alternative educational uses of the Centers identified, but if their decision is that any Center should be phased out, this decision should be brought as a recommendation to the 1977 legislature."

3. "The legislature directs the Regents to proceed during 1975-77 with phase out of one or more Centers selected by the Regents on the basis of their performance criteria."

II. THE UNIVERSITY CLUSTER

(For relationships to PART TWO planning activities, see transitional note on page 18.)

If the legislature determines that reductions of the scope of the U.W. System beyond those involving the Center System should be undertaken, it would be appropriate to direct the phase down or phase out of one or more of the University Cluster universities. The criteria to be applied for such selection, the recommended procedures, and the appropriate legislative action follow, together with a statement relating these criteria, procedures, and actions to the U.W. System planning process described in PART TWO of this report.

A. The Criteria

1. Effect on access to educational opportunity for Wisconsin residents.

   Phase down or phase out is less undesirable for institutions serving fewer Wisconsin residents within commuting range of the institution.

2. Relationship to projected enrollments based on demographic trends.

   Phase down or phase out is less undesirable for institutions faced with declining commuter-based demand than for institutions in areas of projected expanding commuter demand.

3. Cost-size relationships and projected relationships.

   Phase down or phase out is less undesirable for institutions whose costs or projected costs are more than 20% above the Cluster average.

4. Relationship to intellectual, cultural, and economic vitality of the region.

   Phase down or phase out is less undesirable for institutions whose loss would least affect the intellectual, cultural, and economic vitality of the region.

5. Relationship to statewide System planning.

   Phase down or phase out would be less undesirable for institutions with fewer educationally unique program elements, services, and innovations responsive to System and societal long-range needs.

6. Relationship to needs of special populations.

   Phase down or phase out decisions would be less undesirable for institutions whose loss would affect less the opportunities of populations previously disadvantaged in their search for educational opportunity (e.g., minorities; women).

B. The Procedures

1. *Step 1*: Examination of alternatives.

   The situation of institutions selected for phase down or phase out on the basis of the criteria stated would be explored with faculty, staff, administration, and the community in terms of the following alternatives:

   (a) Phase out of *major program elements* accompanied by a concomitant phase down of the institutional mission.

   - The option would aim at reductions in mission scope designed to bring the institution into a size-mission relationship which would assure that the remaining mission could be accomplished and provide educational services of quality at a cost threshold set by the Regents.

(b) Phase out of *graduate, upper and/or lower division levels.*

- This option would aim at that reduction in the levels of instruction needed to achieve educational services of quality for the remaining levels at a cost threshold set by the Regents.

- Specifically examining the alternative of phasing out some or all post-baccalaureate programs, followed by exploration of the alternatives of phasing out all or part of junior-senior programs, or all or part of freshman-sophomore programs.

(c) Phase out of the *institution.*

- The Regents assume that this option would not be exercised unless subsequent to or concurrent with the phase out of all geographically proximate two-year centers.

2. *Step 2*: Preliminary selection of the preferred options.

Having examined the relative merits of the options available, the Regents would make preliminary determination of the option seeming best to serve the public interest of the State of Wisconsin.

3. *Step 3*: Open hearing.

Prior to final action on a decision, the Regents would conduct an open hearing in the affected community for purposes of discussion of their preliminary findings, and taking testimony from the public as to the available alternatives or alternatives which might be suggested.

4. *Step 4*: Decision.

Following the open hearing, the Regents would determine the decision to be affirmed, together with the legal and policy steps needed for its implementation, and the time line to be followed in implementation.

C. Appropriate legislative action.

The appropriate legislative action needed to implement decisions under the foregoing criteria and procedures could take one of the following forms:

1. "The legislature directs the Board of Regents to proceed in 1977-79 with selection of one or more four-year campuses for possible phase down or phase out decisions, using the basis of criteria stated by the Regents, after following the procedures recommended by the Regents.

Notwithstanding s. 36.09(1)(g), Wis. Stats., the Regents are authorized to proceed with a phase out decision for one or more campuses."

2. "The legislature directs the Board of Regents to proceed in 1977-79 with selection of one or more four-year campuses for possible phase out or phase down decisions, using the basis of criteria stated by the Regents, after following the procedures recommended by the Regents.

   If the Board determines that it should recommend phase out of one or more campuses in 1977-79, that recommendation shall be brought to the 1977 session of the legislature for final disposition by the legislature."

3. "The legislature directs the Board of Regents to phase out one (alternatively the designation of a larger number, e.g., two, three, etc.) University Cluster universities with selection to be implemented in 1977-79 on the basis of the criteria set by the Regents, and following the decision steps recommended by the Regents."

III. THE DOCTORAL CLUSTER, UNIVERSITY EXTENSION, AND INSTITUTIONS NOT AFFECTED BY I. AND II. ABOVE

(For relationships to PART TWO planning activities, see transitional note on page 18.)

If the legislature determines that reductions in the scope of the System accomplished through its directives concerning the Center System and University Cluster institutions do not go far enough, then it would be appropriate for the legislature to direct reductions in the scope of UW-Madison, UW-Milwaukee, UW-Extension, and Centers and other four-year universities not affected by actions in 1975-77 and 1977-79. A generalized reduction in the scope of these institutions could be directed for 1979-81 on the basis of a fiscal target set as a percentage of their base budget requirements as these requirements would have otherwise been derived. The assumption would be that this target would be achieved by phase out, consolidation, or structural change in programs, or, in the case of Centers not previously affected, phase out or alternate use decisions for additional Centers.

The Regents do not foresee as feasible the phase out of either of the doctoral institutions or of the mission represented structurally by UW-Extension. For example, by any set of plausible criteria the major research, graduate education, and advanced professional education institution of the System, UW-Madison is an essential foundation for the System, and this institution must remain large if it is to be quality and cost effective. Similarly, a major university located in the state's largest metropolitan center will remain an essential characteristic of effective service, as will some level of regional distribution of institutions. And, finally, UW-Extension represents organizationally a substantial part of the three basic missions of public universities, the mission of public service defined to include continuing education.

Nevertheless, if the public policy decision is that the System should reduce the scope of its services by an order of magnitude beyond that described in I. and II., such a goal could be accomplished only by reducing the scope and educational services of the System's larger, as well as its smaller units.

The criteria for examining program scope in the remaining larger institutions, and the steps in reaching decisions on such matters follow:

A. The Criteria

1. Relationship of program to opportunities available elsewhere.

   Consideration should be given to phase down or phase out of programs for which reasonably equivalent educational opportunity is available elsewhere in the System.

2. Size-cost relationships

   Consideration should be given to phase down or phase out of programs whose current and projected size generate unit costs above those thresholds identified by the Regents for such programs.

3. Relationship of program to Wisconsin's intellectual, cultural and economic vitality.

   Consideration should be given to phase down or phase out of programs whose loss would be less damaging to the intellectual, cultural and economic vitality of Wisconsin than would follow from alternative choices. In this connection attention should be given to the program's significance in attracting extramural support, and in establishing the national and international reputation for intellectual vitality now held by Wisconsin.

4. Relationship of structure to costs.

   Consideration should be given to structural changes which would reduce the costs of delivering needed educational services while retaining the quality of those services.

5. Relationship to societal need.

   Consideration should be given to the phase down or phase out of programs whose loss would be less damaging to the perceived long-term needs of Wisconsin for well-educated leadership and professional competence, the revitalization of such leadership and competence, and the expanding knowledge base needed for meeting and anticipating societal problems.

6. Relationship to the needs of special populations.

   Consideration should be given to the phase down or phase out of programs whose loss would be less damaging to the educational opportunities of populations historically disadvantaged in the search for educational opportunity, e.g., minorities and women.

B. The Procedures

1. *Step 1*: Examination of alternatives

The Regents would explore alternative decisions on program phase out or phase down decisions which could be contemplated for the Doctoral Cluster institutions, University Extension, and other universities and Centers not previously affected, as a means of achieving stipulated fiscal targets. Among the alternatives to be explored would be:

(a) Phase out or alternate use for additional Centers.

(b) Phase out of major programs selected on the basis of the above criteria.

(c) Phase out of stipulated levels of instruction for particular programs or institutions.

(d) Consolidation of doctoral programs and research centers.

(e) Phase down of UW-Extension programs and services.

2. *Step 2*: Preliminary identification of selected options.

On the basis of Task Force recommendations and analysis, the Regents would identify in a preliminary way those options which seemed best to meet the fiscal targets stipulated while protecting insofar as possible the public interest.

3. *Step 3*: In-depth simulation of decision consequences.

On the basis of preliminary identification of decision options, the Regents would ask for in-depth study of the fiscal, educational, human, and economic consequences of the options identified. Consultation with affected institutions and faculties would be involved in such study.

4. *Step 4*: Public hearing.

Following such in-depth study, decisions continuing to have preliminary endorsement by the Regents would be the subject of open hearings for the institutions affected.

5. *Step 5*: Decision.

Following the open hearing, the Regents would make their final determinations and establish both the policy steps need for implementation, and the time table to be followed.

C. Appropriate legislative action.

If the legislature determines that the Regents should be directed to proceed with the application of the criteria and the procedural steps stated, the appropriate language for such direction would be as follows:

> "The legislature directs the Board of Regents to proceed by 1979-81 with decisions reducing the scope of UW-Madison, UW-Milwaukee, UW-Extension, and other universities and Centers not previously affected, by additional phase out or alternative use of Centers, phase down or phase out of programs, program consolidation or structural changes in ways sufficient to reduce the base fiscal need of these institutions, individually or severally, by an amount equivalent to 5% (or a percent otherwise stipulated) of the base budget otherwise projected as minimal to support services of quality. Decisions, their consequences, and their projected time table for implementation should be reported to the Legislature."

IV. CENTRAL ADMINISTRATION

The President's Task Force Report, Book I, includes a simulation of three alternative models for the organization of UW Central Administration: (a) a maximum management model which would significantly increase the size of central staff and operations by replacing campus administration of specified functions; (b) continuation of the present mixture of planning, service, and coordinating functions joined to specific and limited monitoring and management functions; and (c) removal of management and service functions by re-creation of a planning and program review staff similar to that maintained by statewide coordinating commissions.

It is not clear from the simulation that cost-saving to the System would result from a move from the present organization either toward a more centralized operation or toward a more decentralized one. Option (c) would have the immediate effect of reducing the scope of central administration, but would involve concurrent increments in the administrative costs of the campuses and state government. Option (a), the strong central management form, could in theory reduce total administrative costs for the System, but would have the propensity to develop large-scale educational inefficiencies by removing decisions from the hands of those closest to the point of their impact and into the hands of a remote administrative staff.

If the Legislature sustains the Governor's assumptions about the resource expectations of the UW System, and directs one or more steps to reduce the scope of the System, it would be appropriate for the Regents to reduce the scope of central administration.

V. A NOTE ON TIMING

In concluding PART THREE of this report, it is noted that a legislative affirmation of the Governor's assumptions followed by a legislative direction to implement several or all of the alternatives outlined above for reducing the scope of the System in a time period less than that suggested for a phased approach would precipitate a major management and morale crisis in the System.

For this reason it is recommended that if multiple directives are to be issued, these be phased over at least three biennia with no more than one class of reductions asked in each of the successive biennia.

IV. IN CONCLUSION

A Decision Agenda for Wisconsin State Government

1. The major public policy decision before state government is whether:

   a. It judges the UW System's fiscal and enrollment prospects for the next decade to be sufficiently uncertain as to warrant the immediate initiation of steps designed to reduce the present scope and access points of that System in order to sustain quality with extremely limited resources.

   or

   b. It judges the public interest to be better served by a reaffirmation of its traditional priority commitment to provide higher educational opportunity and services of quality to those people wishing and able to benefit from them, and affirmation of the UW System's current planning approach to accommodating an uncertain future, along with the resource requirements inherent in such an approach.

   It should be clear that neither judgment is aimed at simply preserving the status quo and that the same criteria would be relied upon by the System in implementing either approach.

2. A reaffirmation of b. above would be consistent with the basic assumption from which the University System planning is administered by the Board of Regents.

3. Confirmation of the decision under a. above to reduce selectively the scope of the System and the scope of its programs and services would be consistent with the fiscal assumptions leading to the Governor's request to the Board of Regents.

4. One alternative to the foregoing choice would be a decision to direct maintenance of the scope of services together with static resources *by lowering the quality* of those services. This has been rejected by the Regents as wholly contrary to the public interest. Access to education or services of low quality would be a delusion rather than an opportunity for Wisconsin people.

5. The implications of the public policy choices to be made by state government can be summarized in the columns which follow:

DECISIONS AND ACTIONS WHICH WOULD FOLLOW FROM UW SYSTEM'S ASSUMPTIONS

Reaffirmation of a commitment to educational opportunity of quality for those wishing and able to benefit implies:

1. The Regents should proceed with planning directions now established and those proposed. Those *established include:*

   a. Rigorous application of the principles that all programs must meet tests of quality, productivity, responsiveness to societal need, cost-effectiveness, and as appropriate centrality to the basic mission and purpose of higher education.

   b. Continuous audit and review of all existing programs on the basis of these standards.

   c. Elimination or alteration of low priority programs to reallocate resources to higher priority goals.

   d. Rigorous scrutiny of all new programs on the basis of criteria established.

   e. Application of cost and quality effective practices including:

      (1) Interinstitutional resource sharing through consortia.

      (2) Consolidation of small program units to reduce overhead.

      (3) Continuous institutional review of low enrollment courses and programs.

   f. Enhance institutional vitality through appropriate faculty and staff development programs and practices.

DECISIONS AND ACTIONS WHICH WOULD FOLLOW FROM GOVERNOR'S ASSUMPTIONS

Decision to reduce selectively the scope of opportunity and services to constrain or reduce resource requirements implies:

1. The legislature should direct the Regents to reduce the scope of the System, and the scope of its programs and services in selective and phased ways designed to damage least the public interest as a whole.

2. The *first step* in such directed reduction to be *initiated* by 1977 should be:

   - Phase out or alternative educational use for Centers not meeting Regent-established criteria. As many as three Centers would face this possibility.

   - If the goal is to reduce the scope of the System in order to free up public dollars in toto, then it would follow that the directive should be to phase out selected Centers.

3. The *second step* in such directed reduction, to be implemented by 1979, should be to phase down or phase out selected four-year campuses chosen on the basis of the Regents' criteria.

   - If the purpose of such direction is to free up dollars, it should be understood that such phase down or phase out would be accompanied by reductions in the scope of educational services and opportunities provided for Wisconsin.

   - Phase out of a four-year campus should not be directed without prior or concurrent phase out of geographically proximate two-year Centers.

   g. Seek investment in innovations likely to produce long-range quality and cost-effective methods of providing educational services.

2. Those *proposed* include:

   a. Establishment of a four-year planning front for all institutions specifying enrollment, fiscal, and performance targets, with an annual update.

   b. Application of cost-size-quality criteria to Centers noted in Part Three *and alteration or phase out of those not meeting criteria.*

   c. Application of planning to *reduce the scope of universities over a four-year period in which enrollment and fiscal targets require such reduction to maintain quality.*

   d. Support for studies leading to possible consolidation of UW-Superior and UM-Duluth.

   e. Intensified joint planning with VTAE on resource sharing.

   f. Strengthen existing consortia and expand such arrangements.

   g. Strengthen interinstitutional planning with independent colleges and universities.

   h. Systemwide enhancement of institutional program audit and review actions by selective lateral audit and review of replicated and specialized programs.

3. The Regents ask that state government support development of a better environment for effective long-range planning including:

   a. More stable understandings on the base for the resource expectations of the System, including development of four-year planning authorizations subject to biennial appropria-

4. The *third step* in such directed reduction, to be implemented by 1981, would be to accomplish a reduction in the base budget requirements of the System by a specified percentage of the requirement otherwise needed to sustain quality. This would be accomplished by selective phase out, consolidation, or structural alteration of programs in institutions not affected by 2. and 3. foregoing, including the doctoral cluster and UW-Extension.

   - Such reductions would be accompanied by reduction in the scope of opportunity and services provided, including numbers of students served.

   - Counted against the fiscal targets for such reduction in scope would be the reallocations achieved by the institutions between 1975-79 through continous program audit and review activity.

5. A concurrent step in all directed steps to reduce the scope of the System would be direction to reduce central administrative services and functions in proportion to other reductions directed.

6. A finding that it is in the public interest to reduce the scope of the System could be followed by direction to apply only the Step 1 reduction, or the Step 1 and 2, or Steps 1, 2, and 3. This determination would follow from decision as to the magnitude of the fiscal constraint to be established, and the magnitude of the reduction in opportunity and services to be achieved.

7. It should be undertood that closing institutions and programs to achieve fiscal constraints during a period when enrollments are expected to increase would probably require the Regents to establish enrollment limitations for the remaining institutions. The effect would be a need to apportion a scarcity of resources as wisely as possible.

DECISIONS AND ACTIONS
U.W. SYSTEM CURRENT ASSUMPTIONS

b. More lead time on reductions in base resources when these are indicated as fiscal planning goals to permit effective staff and program contractions.

c. More attention to the cost-benefit implications of studies and analyses requested or required to reduce costly administrative overhead.

DECISIONS & ACTIONS
GOVERNOR'S ASSUMPTIONS

THE DRAFT STATUTORY LANGUAGE WHICH COULD BE USED IF THE LEGISLATURE AFFIRMS THE GOVERNOR'S ASSUMPTIONS AND MANDATES ONE OR MORE OF THE ABOVE STEPS APPEARS IN THE PRESIDENT'S REPORT AT THE FOLLOWING LOCATIONS:

Page 24: Item C (Centers)
Pages 26-27: Item C (Univ.Cluster)
Page 30, Item C (Others)

The Regents and the UW System understand that affirmation of Wisconsin's historic commitment to higher educational opportunity does not and cannot commit the state to a particular level of spending which might be required in the future to implement *fully* that goal. They understand the impact of current recession and the potential of an uncertain economic future on the ability of the state to realize all desirable goals.

The Regents and the University System ask only that changes in public policy goals for higher education not be superimposed upon fiscal constraints without public debate and an informed decision, and that if fiscal determinations dictate constraint upon educational opportunity, the steps needed to reduce the scope of the University's programs and services in order to sustain the quality of that which remains be openly understood.

APPENDIX TO PRESIDENT'S REPORT TO THE BOARD OF REGENTS

Exhibit	
1.	Governor Lucey's letter to Mr. Pelisek (January 8, 1975)
2.	Mr. Pelisek's statement of January 10, 1975
3.	Mr. Pelisek's letter to President Weaver (March 28, 1975)
4.	Summary of the Task Force Report: Book I
5.	Enrollment Projection Displays
6.	Relationship of enrollment trends and GPR support
7.	Summary of Economic Impact Study: Phase I

STATE OF WISCONSIN
OFFICE OF THE GOVERNOR
MADISON, WISCONSIN 53702

PATRICK J. LUCEY
GOVERNOR

EXHIBIT #1

January 8, 1975

Frank J. Pelisek, President
Board of Regents of the
University of Wisconsin System
Madison, Wisconsin

Dear Regent Pelisek:

I wanted you to know as early as possible of my intention to place in the executive budget for the UW System directives which speak to the longer term implications of the fiscal recommendations of that budget, and the fiscal constraints in which our policies for higher education over the next decade will have to be framed. The budget directives will reflect the policies and considerations which the remainder of this letter expresses.

Throughout Wisconsin's history, the people of this state have been extremely generous in their commitment to public higher education. State policy has been guided by the twin goals of establishing the highest quality university education possible, and assuring access to that education for people from all backgrounds and all regions of the state. In a time of rigid fiscal constraints such as state government currently faces, we cannot abandon those goals, but neither can we ignore how a pattern of unrestrained University growth, originating in a far different economic climate, if carried forward into this biennium and future biennia, can come at the expense of the achievement of our historic goals.

The taxpayers of Wisconsin already have the third highest per capita commitment to higher education in America, despite the fact that we rank 27th in per capita income. Given the level of that commitment, we cannot now ask any less of the University in meeting the fiscal emergency the state faces than we do of any other state agency--even while recognizing that the fiscal limitations we place on the University may have different short-term and long-range implications for the operation of the University System than they have in other agencies.

Specifically, in 1975-77, the University System will need to live substantially within its current year supply and expense budget, and find room for additional productivity savings. Budgets for support services, computing services, and instructional supplies will be less than the level of support previously provided. To the extent that larger enrollments come to the University System during the next biennium, additional enrollment funding may not be available. Insofar as possible, the System and its Institutions will be asked to absorb these enrollments through increases in faculty workload.

These circumstances are regrettable. They represent, however, the fiscal stringency facing state government and the state as a whole. More importantly, they also forecast the fact that the University System and the state should be planning now to reduce the scope and/or number of its array of higher educational institutions and programs in order to be able to support responsibly the needs of the institutions and programs which are to be maintained. The wisdom of undertaking this effort is underlined not only by the problems we face in the current biennium, with recession joined to inflation, but also by projections of a substantial decline in numbers of students seeking higher education in the decade just ahead.

For these reasons, I am asking that the Board of Regents carefully weigh the alternatives and make specific recommendations for phasing out, phasing down, or consolidating existing centers, campuses, colleges, and programs of the System for purposes of helping to generate in the course of the next four to six years the resources needed to maintain the quality and health of the University of Wisconsin System as a whole.

By April 15, 1975, I ask that the Board of Regents bring to my office and the Legislature a plan for phasing out, phasing down, or consolidating institutions and programs, including a statement of language to be inserted into the 1975-77 biennial budget which would authorize implementation of the plan.

The study leading to the plan should include to the extent it is possible, analysis not only of the educational consequences of what may be proposed, but the broader implications of various courses of action as well. I am certain that the Department of Administration, particularly the State Planning Office, and other state agencies will provide such assistance to the Regents and the University System as they may request in furthering the study.

I am mindful of the apprehensions which will be created by the fact of this study. I observe, however, that Board actions to date, and the Board position in its Budget Policy Paper #2.0 (Section D) have initiated serious and continuing attention to the size and scope of the University System. Consistent with the Board's position, I believe it is better that we now face forthrightly the question of how the University System can best reduce the scope of its institutions and programs in order to make it possible for the State of Wisconsin to enter the decade of the 1980's with a System of a size and character which can be maintained at the highest level of quality.

Sincerely,

Patrick J. Lucey

PATRICK J. LUCEY
Governor

EXHIBIT #2

STATEMENT BY MR. PELISEK 1-10-75

The University of Wisconsin System has been asked by the Governor of the State of Wisconsin to develop a plan for reducing the scope of the academic enterprise of the System by phasing out or phasing down centers, campuses and programs. We are asked to present this plan to state government by April 15, 1975, so that language enabling its implementation can be made a part of the 1975-77 biennial budget.

The purpose of the plan should be to define those actions which, by reducing the size of the System, would help generate over the next four to six years the resources needed to maintain the quality and health of the System as it would then be organized.

While the request to develop the plan is prompted by the current fiscal stringencies facing the State and the University System, this action would also be an aspect of the planning needed to prepare for the decline in the college age population which will affect Wisconsin in the decade of the 1980s.

We must respond to the Governor's charge, even though we may not believe that phasing out or phasing down centers and campuses is necessarily in the best interest of the University System and the State of Wisconsin. If the choice is ultimately between a System of the present scope facing a decline in quality because of inadequate funding, or a smaller System which can be maintained at a higher level of quality, then the choice must be made. The best interests of the System and the State will be served by any and all steps needed to assure that public higher education in Wisconsin is of the highest quality. In this spirit, as President of the Board, I have asked the President of the UW System to proceed as follows:

1. To appoint and convene forthwith a System Advisory Planning Task Force which shall be chaired by a senior officer of Central Administration and which shall include faculty members, administrators. and students.

2. In consultation with this Task Force, to create from its membership, or memberships as augmented, a group of Study Committees, each of which will study a particular problem area related to the phasing out or phasing down of centers, campuses and academic programs and recommend those actions which could be taken in its problem area which would reduce the present scope of the System.
3. In consultation with the Task Force, to define the problem area to be addressed by each Study Committee, the magnitude of the fiscal target to be achieved by its recommendations, and the full charge to be given to each Study Committee.
4. To define the method by which the reports of the Study Committees shall be blended into a plan for discussion and final action by the Board of Regents.

The President shall provide an interim report to the Board at its February meeting on the organization of the Task Force and Study Committees, the charges given to the Study Committees, and the procedures to be used in developing the final report to the Board.

The President shall report his recommended plan to the Regents for discussion and final action at a special Board meeting, enabling the Board to meet the April 15, 1975 deadline set by the Governor.

The President may, if he judges it to be desirable, employ consultants external to the System in the evaluation of the Study Committee reports and for assistance in blending these reports into the plan to be presented to the Regents. He is also authorized to take such other steps as may be convenient and necessary to accomplish the task.

I wish to emphasize that the clear mandate of this Task Force is to work within the assumptions contained within the Governor's letter and to meet the specific planning requests contained therein.

EXHIBIT #3

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Frank J. Pelisek, President
250 E. Wisconsin Avenue
Milwaukee 53202
414-271-6562

J. S. Holt, Secretary
1866 Van Hise Hall
MADISON, WISCONSIN 53706
608-262-2324

Bertram N. McNamara, Vice President
615 E. Michigan Avenue
Milwaukee 53202
414-276-2781

March 28, 1975

President John C. Weaver
University of Wisconsin System
1700 Van Hise Hall
Madison, Wisconsin 53706

Dear John:

I have had an opportunity to read over the System Advisory Planning Task Force Report and want to add my personal commendation for Don Smith and the Task Force members' impressive work.

I know that you are now at work preparing your report and recommendations to the Board. It is my sense of Regent expectations in this matter that your report will speak not only to the specific charge and assumptions in the Governor's January 8th letter to me, but also include a companion statement of the System's current approach to long-range planning and the basic assumptions regarding Regent and public policy upon which it is based. Without such a statement readers of our response to the Governor's charge will view it with no appropriate reference point and this would be unfortunate indeed. I assume, as well, that your report will frame the public policy questions which the Legislature must decide.

Perhaps these items were already a part of your approach and my suggestions will only reinforce their merit and importance. I realize that, like the Task Force, you are laboring under severe time constraints and I look forward to receiving the report for discussion at our special meeting on April 18.

Sincerely,

Frank J. Pelisek
President

cc: Governor Patrick Lucey
Board of Regents
Chancellors

EXHIBIT #4

SUMMARY: Book I, Report of the System Advisory Planning Task Force Studying the Scope of the University of Wisconsin System

> Universities have been historically one of the major agencies through which society cultivated the resources of knowledge and educated people needed to address current complex problems and to respond flexibly to new problems as they emerge. Viewed this way, the university is an investment society makes in its search for a better future. This view does not automatically say that any level of public investment in higher education is necessarily either possible or productive. It suggests, however, that decisions to reduce current levels of investment should be made with caution and with thorough attention to the long-range implications of such decisions.
>
> (Prologue, Chapter II)

The report of the task force includes more than 300 pages of reports, analyses, and summaries of simulations relevant to long range planning for the university system. In keeping with the charge to the task force, it does not make recommendations concerning the scope of the UW System. This summary will serve to highlight the most important findings of the analyses and studies.

1. Wisconsin's achievement and effort in higher education (Section A, Chapter VI)

   Wisconsin ranks relatively high in the proportion of population recognized as potential users of higher education. The state ranks 4th nationally in its higher education burden measured by the number of high school graduates in relation to population, and number of residents in state public schools in relation to population. It is 25th, but below the national average in dollars, in providing tax support for the instruction of each student in its university system. Wisconsin charges higher than average tuition in its public universities in relation to per capita income of its citizens.

2. Public policy issues (Chapter II)

   Five public policy issues should be resolved as the basis for any decision to reduce the scope of the UW System. These are:

   a. Access. To what extent does the state wish to make higher education available to those wishing it and able to profit from it?

   b. Quality. Does the state view quality as the central or first priority to be maintained by public universities?

   c. Cost and campus size. Should the system seek to reduce costs while maintaining quality by concentrating its resources on fewer and larger campuses rather than maintaining more institutions of various size?

   d. Regional development. Should the state support multi-purpose universities in all regions of the state to enhance the intellectual, cultural, and economic development of all regions?

e. Variety of options. Should the system emphasize variety of educational programs available, or offer a reduced range of liberal arts and professional curricula?

3. Implications drawn from the simulation studies. (Sections A,B,C Chapter IV).

The task force carried out simulations of the closing of six universities, seven UW Centers, and of phasing down or phasing out 14 combinations of colleges and schools. In addition, multiple simulations were undertaken of six classes of university programs: degree programs, support programs, summer sessions, intercollegiate athletics, and two treatments of public service and UW-Extension. The task force warns against the difficulty of generalizing from the simulations now performed, and urges the importance of more detailed study of any decision under study for possible implementation.

However, certain implications do emerge from a study of the simulations now performed:

a. It seems clear that substantial cost savings through closing institutions or major units will follow only if such steps reduce total enrollments in the system, either through enforced or inherent reduction in access to other institutions by the students affected. If efforts are made to maintain full access by absorbing the additional students in other institutions, and by increasing aid to commuter students who would otherwise be unable to seek university education, then the savings become marginal.

b. A short term decision to close a school/college can generate serious short term problems for the campus affected. Such a decision, accompanied by reduction in campus enrollments, could drive up per student costs of instruction for the remaining students by reducing enrollments more rapidly than adjustments in fixed costs for the campus can be made.

c. Decisions on the phasing out of particular academic or support programs developed an extraordinarily complex set of interactions. Closing a program without closing the whole budget unit in which it is placed has little or no effect on costs. Closing whole budget units has marginal effect, but involves the complications alluded to in b. Phasing out a program whose faculty carry a high service load for other programs requires retention of most faculty and saves little. If students in the program transfer to higher cost programs, these savings would disappear.

d. Given the complex interactions involved, the current system process of program audit and review, involving judgments on program quality, need, productivity, and cost, is the best approach to pruning low priority programs. Cost savings by institutions will be more the product of efforts to manage class size by appropriate curricular modification, and efforts to consolidate small budget units than simply efforts to phase out programs.

e. The consequences of closing an institution, in addition to the loss of unique educational programs offered, involve the loss of intellectual, cultural, recreational and economic benefits to the community and region.

4. Procedures and criteria for decisions to close an institution or campus (Chapter III)

Procedures:

a. An open hearing should be provided for the community involved prior to decision.

b. Ample time should be allowed between announcement of an intention to close and implementation, to permit humane and prudent adjustments.

c. Four year campuses and UW Centers should be judged by different criteria.

d. "Flagging" campuses for detailed study for possible phase out or phase down is appropriate.

Criteria: The institution under evaluation should be judged according to:

a. The quality and scope of programs appropriate to its mission;

b. The ability of the institution to fulfill its mission at reasonable cost;

c. Relationship of present and projected enrollments to the support of programs and a faculty sufficient to meet the institutional mission at reasonable cost.

Consideration should be given to the effect of closure on access to higher education, access to unique programs in Wisconsin, and public service to the region.

Consideration should be given to redefinition of mission and program scope as an alternative to closing.

Consideration should be given to the human costs of closure, the costs to the host community, and the net savings to the state after costs associated with closure have been calculated. These consequences should be screened against the cost to the state of maintaining the institution to see whether the net savings warrant sustaining the costs of closure.

5. Costs and campus size. (Section C, Chapter II; Section E, Chapter IV; Section C, Chapter VIII)

The costs of a campus may be identified as fixed costs; incremental costs; and variable costs. Fixed costs are those needed to operate a campus of any size, Incremental costs are the addition to fixed costs experienced as the campus grows larger and develops more programs, colleges, and schools. The variable costs are those associated directly with numbers of students in terms of numbers of faculty required, and instructional supply and expense costs.

As campuses decline in size, cost of instruction per student tends to rise rapidly since only variable costs can be adjusted in the short term, while fixed and incremental costs must apply to a smaller number of students. Given time, a campus can adjust both its variable costs and its incremental costs by reducing its scope (number of colleges and range of programs.)

6. The relationship of costs, access and quality. (Sections A, B, C, Chap. II, also Chapter VI)

It is not possible to maintain quality, maintain and extend access, and reduce costs further. The further reduction in instructional costs for the coming biennium, joined to growing student numbers, will erode quality.

7. Relationship of costs and quality. (Section B, Chapter VI)

Costs per student are influenced by the student/faculty ratio, average class size, and presence of effective student services such as advising and counselling, and effective instructional support services such as libraries and instructional materials. Wisconsin universities now have a relatively high and growing number of students per FTE faculty member, high and growing average class size, and declining levels of student and instructional support. Such trends, if continued, inevitably lead to erosion of quality.

8. Priority of quality. (Section D, Chapter II; Section D, Chapter VI)

Effective higher education requires high priority for quality. If the state cannot support both quality and present levels of access, then it should choose quality and reduced access.

9. Prerequisites for effective long range planning. (Section A, Chapter VII)

Effective long range planning related to performance is needed by the University System and the state. Such planning is possible only if the system and its institutions can project with reasonable accuracy both the enrollments targets and the resource expectations of each institution on a four year front with constant updating. The ability to do this depends on a reasonable contractual understanding between the system and state government on performance expectations for the system, including numbers of students to be taught, and the resources which could be expected to achieve those performance expectations.

10. Targeted Capacity Funding. (Section E, Chapter IV)

Study in depth should be undertaken of Targeted Capacity Funding as a procedure for defining the instructional targets of the system and its institutions, and the resource requirements for such targets on a four year front. Studies should define ways of identifying the fixed costs of units, the incremental costs, and the variable costs. This method would enable projection of realistic enrollment targets, and resource expectations for each institution, and would permit flexible adjustment of targets and expectations as annual experience warranted.

11. Defining productivity in higher education. (Section C, Chapter VI)

Productivity in instruction is the relationship of the cost of instruction to the quantity and quality of learning it engenders. Low cost instruction which produces little learning is not productive instruction. An increase in cost accompanied by a greater increase in learning would be productive. Across the board measurement of the productivity of human service enterprises is not now feasible, although in specific kinds of learning such direct measurement can be made. Indirect measurements can be made.

12. Definition and evaluation of quality. (Section D, Chapter VI)

Quality can be defined as the quantity and quality of learning achieved, the quality and quantity of the scholarly and research output, and the quality and quantity of the public service provided. Specific questions point to the kinds of evidence that can be provided as an index of the quality of a university. Quality can be evaluated and judged.

13. Faculty/staff development and early retirement programs. (Sec. B,C, Chap. VII)

To anticipate changes in student preferences, and changing enrollments in the 1980s, it would be wise to initiate a long range program of faculty and staff development to fit highly prepared professionals now in employment for new roles and positions.

In a period of static or declining enrollment and resources, the flow of new persons into the faculty and staff is greatly reduced. Thus, to maintain the vitality and quality of the University, it would be wise to initiate incentives for early retirement. This would also help adjust faculty and staff resources to changing needs, student preferences, and new roles. Such incentive programs would be expensive.

14. Consolidation of UW-Superior and UM-Duluth (Section D, Chapter IV)

The task force provides a status report on the feasibility study of strengthening cooperation between UW Superior and UM Duluth, including the feasibility of consolidation into a single university.

15. Consortial planning. (Section B, Chapter V)

The Western Central Wisconsin Consortium is an example of cooperative planning by four System universities to control program duplication, share resources, and plan new directions. Strengthening such a regional consortium would support effective system planning and performance.

16. Investment in cost-control. (Section D, Chapter V)

Investment in educational development can have long term cost benefits if the investment strengthens interinstitutional planning and practice, and sets cost control objectives. Three areas where such investment has great potential are:

a. interlibrary planning and service;

b. interinstitutional applications of educational technology; and

c. statewide development of external degrees based on competence criteria and individualized curricula. Regents Statewide University seeks to coordinate such a development with the system universities providing the degrees.

17. Marketing Wisconsin's educational resources. (Section C, Chapter VIII)

The relationships between the fixed costs, incremental costs, and variable costs of a campus raise the interesting possibility that it might be more economical for a state to lower out-of-state tuition charges for some of its border campuses as a way to use more fully their educational capacity than to keep such charges high and the campuses underutilized. A "break even" analysis could develop that reducing tuitions and increasing utilization would add little to direct costs while adding the economic return from additional numbers of out-of-state students.

18. Enrollment projections through the 1980s. (Section C, Chapter I; Appendix Exhibits E, F, G.)

Projections using the current methodology show that enrollments for the system will increase for the next five years, remain above 1974-75 levels until 1983, and decline below 1974-75 levels thereafter until by 1992 they are 13% below the current level. This method projects enrollments on the basis of the relationship of the 18 year old population in each year to total institutional and system enrollments as this relationship has developed historically.

The task force did its studies on the basis of the enrollment projections but underscored the urgency of maintaining capacity for flexible response as trends actually emerge. Closing institutions while enrollments are rising, as a reaction to declines projected 10 years from now, would be unwise, the task force observed.

# # #

EXHIBIT 5

PROJECTED ENROLLMENTS

UNIVERSITY OF WISCONSIN SYSTEM

Four alternative approaches to the projection of student enrollments in the University of Wisconsin System are outlined below. An overview of the basic methodology and the primary assumptions is provided for each alternative; in addition, a table of projected student enrollments in the University System through 1992 is appended, based upon each alternative.

The most optimistic enrollment picture is provided by the Age Strata (Trend) alternative, followed in decreasing order of optimism by the Age Strata (Constant), 18 Year Old Cohort (Regent Approved), and, finally, the 18 Year Old Cohort (Dresch Effect) methodologies. A summary of the systemwide enrollment projection data based upon these four approaches is provided in Table 1.

18 Year Old Cohort: Regent Approved

This projection is based primarily upon the proportion of the state's eighteen year old population attending the University of Wisconsin System. The traditional cohort survival technique then is used to estimate the anticipated numbers of sophomores, juniors and seniors in the System. The sum of these separate estimates provides the total undergraduate enrollment projection for the University of Wisconsin System.

This projection is based upon one primary assumption. It is assumed that the proportion of the eighteen year old population attending the University will remain essentially constant through 1985, with a slight increase in that proportion from 1985 to 1992. (See Table 2)

Age Strata: Constant

In this approach, estimates of future enrollments are made by age group. The sum of the estimates for all age groups provides the total enrollment projection for the University of Wisconsin System.

This projection is based upon a single primary assumption. It is assumed that the proportions of the state population attending the University--both under and over age 23--will remain at the present level through 1990. (See Table 3) Since the Department of Administration population projections used included data for five-year intervals only, no data are shown in the table for 1992.

Age Strata: Trend

In this approach to enrollment projections, estimates of future enrollments are made by age group. The sum across all age groups then provides the total enrollment projection for the University of Wisconsin System.

This projection is based upon two primary assumptions. First, the proportion of the state population in the age group 23 years of age and older attending the University will continue to increase, but at a decelerating rate. This assumption stems from the observation that this proportion has been rising in the past several years. Second, the proportion of the eighteen year old population attending the University will increase slightly through 1980 and then return gradually to the 1971 level by 1990. (See Table 4) As in the Age Strata: Constant projections, the DOA population projections included data for five-year intervals only.

18 Year Old Cohort: Dresch Effect

This projection, like the Regent-Approved projection, is based primarily upon the proportion of the state's eighteen year old population attending the University of Wisconsin System. The traditional cohort survival technique then is used to estimate the anticipated numbers of sophomores, juniors and seniors in the System. The sum of these separate estimates provides the total undergraduate enrollment projection for the University of Wisconsin System.

This projection also is based upon a single primary assumption. It is assumed that the proportion of the eighteen year old population attending the University will decline slightly through 1985, with stabilization occurring in that proportion from 1985 through 1992. This assumption is in the spirit of the thesis advanced by S. P. Dresch that the percentage of the national population seeking a traditional higher education will decline in the decades ahead due to an over-supply of college graduates in many fields. (See Table 5)

Table 1

UNIVERSITY OF WISCONSIN SYSTEM ENROLLMENTS
1974-75 ACTUAL AND 1980-1992 ESTIMATES

Year	18 Year Old Cohort: Regent Approved	Age Strata: Constant	Age Strata: Trend	18 Year Old Cohort: Dresch Effect
ACTUAL				
1974-75	139,891			
ESTIMATED				
1976-77	145,968	147,678	149,404	145,257
1978-79	150,767	154,300	157,866	149,299
1980-81	149,653	154,913	160,223	147,467
1982-83	144,279	154,067	161,671	138,574
1984-85	135,855	153,221	163,119	127,096
1986-87	129,154	151,202	165,015	117,398
1988-89	130,075	148,012	167,355	114,571
1990-91	127,618	144,822	169,696	108,812
1992-93	122,169	141,632	172,035	104,166

Table 2

UNIVERSITY OF WISCONSIN

RESIDENT NEW FRESHMEN

Actual Fall 1968-1974 and Estimated Fall 1975-1992

Fall	Age Pool	Residents	Relation
1968	82,034	23,732	28.93
1969	87,819	25,621	29.17
1970	88,941	25,599	28.78
1971	88,408	23,652	26.75
1972	91,570	22,078	24.11
1973	92,333	21,724	23.51
1974	93,496	21,685	23.19
1975	96,398	22,652	23.50
1976	95,950	22,614	23.57
1977	98,518	23,267	23.62
1978	99,493	23,591	23.71
1979	98,435	23,258	23.63
1980	94,497	22,300	23.60
1981	91,605	21,679	23.67
1982	88,910	21,099	23.73
1983	82,919	19,710	23.77
1984	80,412	19,125	23.78
1985	75,797	18,381	24.25
1986	74,257	18,356	24.72
1987	74,324	18,722	25.19
1988	77,455	19,875	25.66
1989	71,976	18,807	26.13
1990	64,719	17,209	26.59
1991	61,216-e	16,565	27.06
1992	62,000-e	17,069	27.53

Table 3

UNIVERSITY OF WISCONSIN SYSTEM ENROLLMENTS

1974 ACTUAL AND 1980-1990 ESTIMATES

Age Strata: Constant

Age	1974-75			1980		1985		1990	
	AGE POOL	UW ENROLLMENT	(%) RELATION	AGE POOL	UW ENROLLMENT	AGE POOL	UW ENROLLMENT	AGE POOL	UW ENROLLMENT
15-19	465,110	39,456	8.483	464,400	39,396	385,200	32,677	398,500	33,805
20-24	393,660	63,569	16.148	444,000	71,698	436,400	70,471	362,700	58,570
25-29	319,380	20,112	6.297	400,800	25,239	441,200	27,783	435,100	27,399
30-34	265,670	7,036	2.648	331,200	8,771	408,300	10,813	452,600	11,987
35-39	232,740	3,582	1.539	276,300	4,252	329,600	5,073	409,100	6,296
40-44	228,270	2,319	1.016	233,500	2,372	275,400	2,808	327,900	3,331
45-49	241,340	1,481	0.614	221,000	1,356	230,500	1,414	273,300	1,677
50-54	236,170	965	0.409	234,500	958	215,500	881	225,200	920
55-64	418,720	843	0.201	432,600	871	435,400	877	415,700	837
TOTAL	2,801,060	139,363	4.975	3,038,300	154,913	3,158,500	152,797	3,300,100	144,822

Table 4

UNIVERSITY OF WISCONSIN SYSTEM UNDERGRADUATE STUDENTS

1971-1974 ACTUAL AND 1980-1990 ESTIMATES

Age Strata: Trend

Age	1971-72			1974-75			1980-81			1985-86			1990-91		
	Age Pool	Enroll.	% Rel	Age Pool	Enroll.	% Rel	Age Pool	Enroll.	% Rel	Age Pool	Enroll	% Rel	Age Pool	Enroll.	% Rel
15-19	441,140	44,083	9.993	465,110	39,515	8.496	464,400	39,455	8.496	385,200	32,727	8.496	398,500	39,822	9.993
20-24	351,240	57,409	16.345	393,660	57,215	14.534	444,000	64,531	14.534	436,400	63,426	14.534	362,700	59,283	16.345
25-34	526,100	10,866	2.065	585,030	15,107	2.582	732,000	22,677	3.098	849,500	30,701	3.614	887,700	32,081	3.614
35-44	467,940	2,091	0.447	461,010	3,054	0.662	509,800	4,476	0.878	606,000	6,630	1.094	737,000	8,063	1.094
45-64	884,310	1,082	0.122	896,230	1,861	0.208	888,100	2,620	0.295	881,400	3,367	0.382	914,200	3,492	0.382
Total	2,670,730	115,531		2,801,060	116,752		3,038,300	133,759		3,158,500	136,851		3,300,100	142,741	

TOTAL STUDENTS

	Undergraduate	Graduate & Professional	Total
1971-72	115,531	18,171	133,702
1974-75	116,752	23,139	139,891
1980-81	133,759	26,464	160,223
1985-86	136,851	26,994	163,845
1990-91	142,741	26,955	169,696

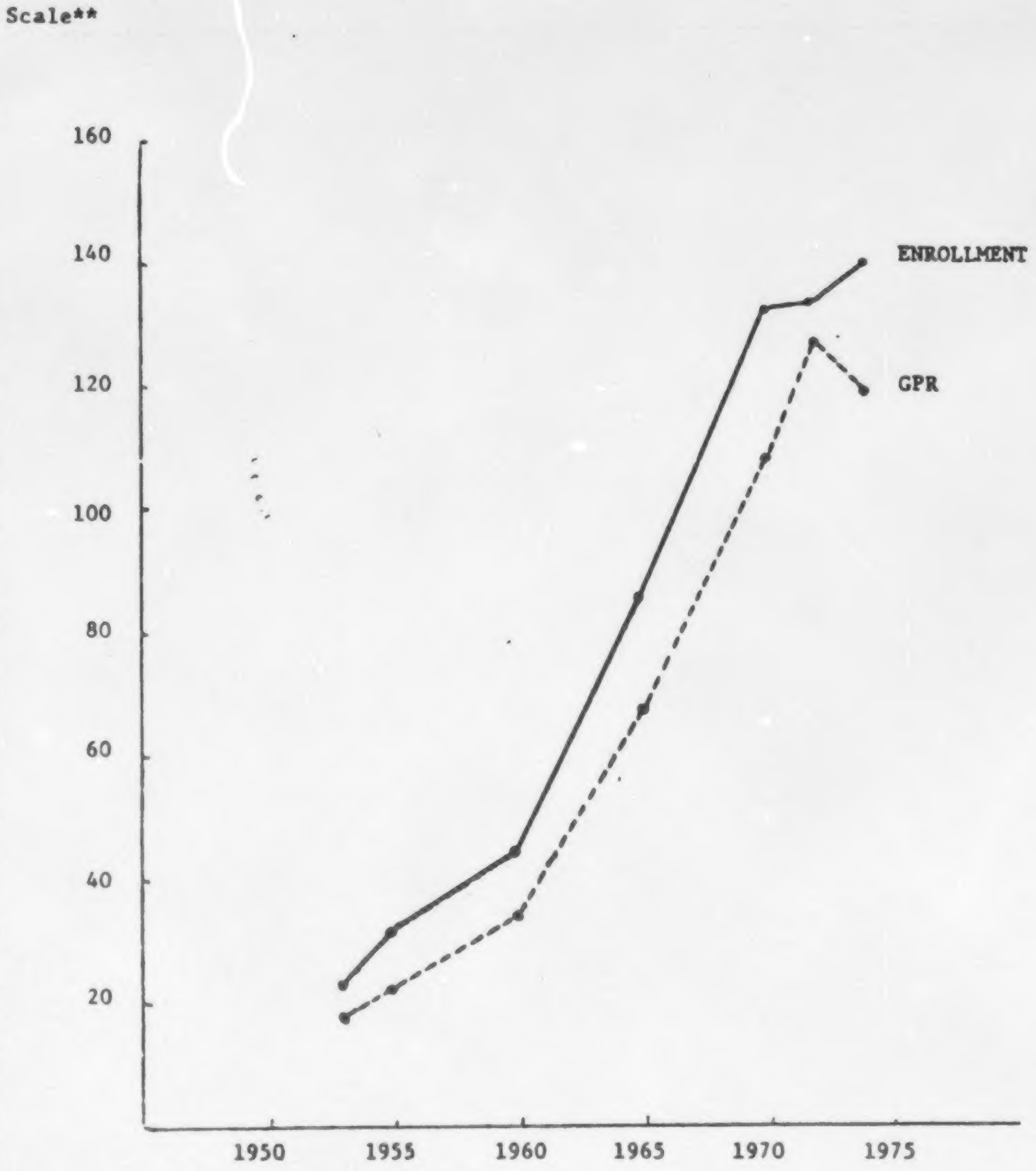
Table 5

UNIVERSITY OF WISCONSIN SYSTEM ENROLLMENTS
1971-74 ACTUAL AND 1980-1990 ESTIMATES
Eighteen Year Old Cohort: Dresch Effect

	Undergraduate			Graduate and Professional	Total
	18-21 Age Pool	Enroll.	Relation		
1971-72	347,202	115,531	33.275	18,171	133,702
1974-75	365,807	116,752	31.916	23,139	139,891
1980-81	390,943	121,003	30.952	26,464	147,467
1985-86	328,038	95,315	29.056	26,994	122,309
1990-91	288,474	81,857	28.376	26,955	108,812
1992-93	259,911	77,191	29.699	26,975	104,166

EXHIBIT #6

U.W. HEAD-COUNT ENROLLMENTS 1953-1974
U.W. GPR APPROPRIATIONS* (IN 1953 DOLLARS) 1953-1974



* Excluding Fringe Benefits.

** Students in Thousands, Dollars in Millions.

EXHIBIT #7

SUMMARY REPORT
PHASE I
ECONOMIC IMPACT STUDY
AND FISCAL IMPACT STUDY

I. Introduction

On January 8, 1975 Governor Lucey asked the UW System to prepare a comprehensive plan for phasing out, phasing down, or consolidating existing centers, campuses, colleges, and programs of the System for the purposes of helping to generate over the next four to six years the resources needed to maintain the quality and health of the UW System as a whole.

In response to this, a Systemwide Task Force was constituted to provide advice and counsel to the President in preparing an appropriate response. The Task Force was organized into four Study Committees to examine various aspects of the System reduction issue from various perspectives.

Interest in the economic consequences of phasing out institutions was recognized early. Thus it was decided that economic and fiscal impact studies should be undertaken to provide information to the Regents and the Legislature to provide an economic perspective for their decisions. Such studies are not directly related to educational judgments on phase-out. However, they are of interest in public policy decisions.

For this reason, cooperation was sought from and provided by the Department of Administration, and a joint committee was established between state government and the Task Force to design and carry through economic and fiscal impact studies. This is Phase I of these studies. A second more detailed study will follow for reporting to the Regents by September, 1975.

This is a preliminary report of the economic and fiscal impact group. These findings should be read as very preliminary, subject to the gathering of more detailed data and more careful analysis of the findings. Careful attention should be given to the qualifications and constraints described in the detail of the preliminary report.

II. Study Organization

The full membership of the joint state government task force for these studies is as follows:

Jack Huddleston, Economist, Department of Administration
Hans Isakson, Assistant Director, Urban Research Center, UW-Milwaukee
Jerome Johnson, Professor, Economics, UW-Eau Claire
William Komsi, Assistant Chancellor, UW-Milwaukee
Douglas Lamont, Senior Academic Planner, Central Administration
Guy Phillips, Economist, Department of Revenue
Ved Prakash, Professor, Urban Planning, UW-Madison
Henry Raimondo, Economist, Department of Revenue
Monroe Rosner, Project Associate, Inst. of Env. Studies/Ag. Econ.,UW-Madison
Roger Schrantz, Department of Administration
Richard Stauber, Professor, Governmental Affairs, UW-Extension
William Strang, Associate Professor, Business, UW-Madison
Phil Sundal, Economist, Department of Business Development
Jon Udell, Professor, Business, UW-Madison

The actual studies themselves are being directed and undertaken by personnel from the UW System:

Hans Isakson - Economic Impact
Ved Prakash - Fiscal Impact Study
Monroe Rosner - Fiscal Impact Study
Richard Stauber - Fiscal Impact Study

The state agency personnel are assisting in supply data and professional expertise.

III. Economic Impact - Study Design

The basic design of this study follows a model developed for the American Council on Education.[1] The ACE model has been used as a basic guide, and some departures from this model are made to better mirror particular town-gown relationships.

In estimating the initial or first round economic impact of an institution of higher education, the basic measurement criteria is to include only those expenditures that would not have been made in the community without the presence of the university. It is important not only to determine this figure but also to take it apart and examine its composition.

When viewing the economic effects of a university, it is convenient to examine various relationships between sectors of the local economy and parts of the university. Most institutions can be divided roughly in two halves: spending by the people who make up the university community, and spending by the university itself. The local economy can also be divided roughly into two parts, the private economy sector and the public or governmental sector. The private economy of the community can be broken down into various expenditure categories. The public sector is composed of various local governments with which the university relates. All these sectors and sub-sectors interact.

The study is divided into two phases: Phase I which was concluded by March 21, 1975 and Phase II which began immediately following the completion of Phase I and will end August 31, 1975. Due to the stringent time constraints upon Phase I, the results from it will not be as thorough or complete as those of Phase II.

Time limitations on Phase I economic impact studies forced the use of average student and staff spending patterns gathered in studies of major universities across the nation. These average spending patterns from other universities were then applied to specific campuses in Wisconsin, producing an approximation of the first round economic effects on that community. Phase II studies, to be completed by September, will gather specific spending information distinctive to each campus.

Expenditures by each campus in the local area were more precisely estimated, reflecting actual expenditures for 1973-74.

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[1] Caffrey, John and Herbert H. Isaacs, Estimating the Impact of a College or University on the Local Economy, American Council on Education, Washington, D. C. 1971.

Preliminary first round economic effects have been prepared for 6 four-year campuses and for 7 two-year campuses throughout the state. Approximate first round economic impact for each campus is shown in the tables of the appendix.

In Phase II studies the first round economic effects will be refined and adjusted to reflect the effects of second and third round economic impact.

IV. Economic Impact - Study Limitations

The Economic Impact Committee, because of severe time constraints, recognized that only approximations of economic effects would be possible in Phase I. All that could be done in the six weeks that was available is a tabulation of approximate first round economic impact--student spending, faculty and staff spending, campus purchases in the area, etc.--unadjusted for the ripple effects of a dynamic economy. The reader should recognize the limitations in the Phase I studies, and that the refined economic effects produced in the Phase II studies may be significantly different from the effects estimated here.

There are four major limitations: first, the data used for student spending. Time did not permit the gathering of actual student expenditures for each of the campuses studies. Instead, an average of student spending in other economic studies (Howard University, University of Virginia, UW-Milwaukee, Arizona State, University of Mississippi, Indiana University, UW-Green Bay, etc.) was used. An average of $2,447 per student for off-campus spending in the community area was used. Whether that $270 per month off-campus spending is typical of Medford, Marinette, Platteville and other student spending patterns will be studied in Phase II. Similarly, more specific information is needed for faculty and staff spending in the community.

Second is that expenditures in the community are not adjusted to reflect the dollars that are actually retained in the community economy. For example, the appendix shows that approximately $234,000 is spent in retail stores in Baraboo by students, faculty and staff. Yet, only a part of that $234,000 is utilized to purchase labor, supplies, etc., from other businesses in Baraboo. The rest is used to purchase commodities for retail sale, pay state and federal taxes, purchase store furnishings,and other retail store costs from outside the local community. Phase II studies will estimate the extent to which university spending is retained in the local economy.

Third, Phase I approximates only first round economic effects. But there are effects beyond their direct economic impacts as the initial dollar is spent and respent throughout the local economy. This multiplier increases first round economic effects. In Los Angeles, for example, a multiplier of 2.2 was calculated--every dollar spent produced an ultimate $2.20 effect in the total economy. Certainly the L. A. economy is far different from the Baraboo, Medford, River Falls and Superior economy--but there is an appropriate multiplier effect of direct expenditures in their communities. The extent of retained spending to be estimated in Phase II will also provide data from which a specific multiplier for each community, attuned to the economy of that community can be estimated.

The final major study limitation is that it does not estimate the transfer of economic impact from one campus to another, should that first campus be closed. Students, faculty and staff who transfer to another campus will transfer all or part of their associated economic as well. To the extent that this occurs the closing of a campus rearranges the Wisconsin economy, but the economic impact is not lost to the statewide economy. Transferability of economic impact was not measured in these Phase I studies, but will be estimated in the Phase II studies.

V. Economic Impact - Preliminary Findings

Approximate first round economic effects for each of the thirteen campuses' studies are available in detailed form in the technical reports. Attached as an appendix to this summary report is a one page summary of the primary economic effects for each campus. This section explains the effects shown for one campus, Marshfield, to help the reader understand the appendix tables.

The UWC-Marshfield/Wood County has 394 students and 45 faculty and staff. Using the $2,477 per student assumed spending average, and the assumption that 78% of faculty and staff salaries are spent in the Marshfield area communities, a total of $752,000 is annually expended in the Marshfield area. Again using national averages, $752,000 is categorized into $30,000 for retail sales, $181,000 for rent and mortgages, and $270,000 for miscellaneous services. As a proportion of the total Marshfield area economy, $752,000 is 00.17% of the area's total economy.

Campus expenditures in the Marshfield area totaled $38,000. This includes about $8,000 for wholesale trade--about 00.002% of the total area's wholesale trade, some $27,000 for miscellaneous services--about 00.080% of the total area miscellaneous services, and $3,000 for manufacturing expenditures.

Using national averages, the checking and savings balances of students, faculty, and staff are estimated to be $249,810--about 00.15% of all checking and savings balances in the Marshfield area.

Finally, UWC-Marshfield/Wood employs forty-five faculty and staff. That represents 00.40% of the total Marshfield area employment of 11,350.

Similar summaries of the preliminary first round economic effects are included in the appendix for UWC-Baraboo/Sauk County, UWC-Barron County, UWC-Marinette County, UWC-Medford, UWC-Richland, UWC-Rock County, UW-Green Bay, UW-Parkside, UW-River Falls, UW-Stevens Point, and UW-Superior.

VI. Fiscal Impact - Study Design

A second major aspect of the economic impact of closing institutions is the effect on the public finances of the campus community. That is the subject of the Fiscal Impact Committee.

Because of the two-phased approach to the problem, the researchers chose to study only two UWS institutions at the outset. The intention was to develop and test a methodology which could be applied to additional campuses for the Phase II report. In the meantime, certain broad generalizations may be drawn about the fiscal impact of phasing down other UWS institutions.

Local government finance in Wisconsin is extremely complex; a consequence of a myriad of programs of aids, shared taxes and in lieu payments. These state financial programs tend to substantially moderate and compensate for direct fiscal impacts. Moreover, there are few points of fiscal interaction between the campus and the community. For these reasons, the fiscal impacts of closing a UWS institution are modest. They are more modest than impacts upon population and the local economy generally.

For both case studies, UW-Stevens Point and UW Center-Richland, the fiscal effect of closing the campuses is reviewed in this way: the effect on city, county and school district expenditures is estimated; revenue changes from a campus closing were estimated; and the effects of state aids and shared taxes were estimated, also. These fiscal impacts were then translated into net effects on the property tax liability for the typical property owner.

VII. Fiscal Impact - Preliminary Findings

For the City of Richland Center, it was estimated that revenues would decline by $28,000 in the initial year after the closing, primarily from lower sales by the municipal electric and other utilities. Expenditures would be reduced by $26,000, primarily in municipal utility costs. Under one set of assumptions made by the researchers, school district costs would have a net zero effect, i.e., a $24,000 reduction in costs and a $24,000 reduction in state school aids. Richland County, the owner of the campus facility, would need to expend $80,000 to maintain the facility on a standby, unoccupied basis. If the campus facility could be used for another public purpose, then those maintenance costs could be charged against that alternative use. If the campus facility is unoccupied, the county would need to spend $80,000 per year to maintain it, and property taxes would rise by $.54 per $1,000. In subsequent years as the impact of the formulas for state aids and shared taxes is fully felt, then there is the possibility that the average fiscal impact would be an increase in property taxes of approximately 2.5%, half of which is attributed to the $80,000.

UW-Stevens Point is a much larger, more dominant campus, and the fiscal impact of closing that campus is much more difficult to estimate. For the City of Stevens Point, it is estimated that revenues would decline by $410,000 in the initial year after closing, half of which is due to reduced per capita state tax sharing. Initial year expenditures would decline by $370,000. Portage County finances would be affected by a $55,000 loss of per capita shared taxes, declines in federal revenue sharing, and increased costs for county services attributable to the closing (e.g., hiring more case workers). It is anticipated that the reduction in state school aids would be offset by declines in school district costs; thus, the impact on the mill rate for school purposes would be neutral.

A central factor in the fiscal impact of the closing of UW-Stevens Point is its effect on the Stevens Point real estate market. If the 39% population decline acted to lower property values, then property tax rates would have to be increased to maintain current service levels. One hypothesis posed in the study is that residential property values in Stevens Point would decline by 20%, representing a 10% overall reduction in the value of property in the city, and an 8.5% reduction in the property value in the school district. If that did occur, property taxes could increase by 20% in the initial year, stabilizing at about 11-12% higher in later years.

Phase I studies did not thoroughly evaluate the effects of campus closings on the community real estate market. The effect on property values is a key determiner of property tax impact, and will be more thoroughly studied in Phase II.

VIII. Summary

Once more it must be reiterated that economic and fiscal impact studies are not directly related to educational judgments on pahse-out, but are of interest in public policy decisions. Those making major public policy decisions should have accurate economic and fiscal impact data for assistance in making those decisions. To that end, the joint group is proceeding with a more detailed and refined Phase II of the studies.

UW-GREEN BAY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$3,762,000	.54%
Rent and Mortgages	2,185,000	----
Miscellaneous Service	3,328,000[2]	----
Total	$9,275,000	1.19%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 256,000	.03%
Miscellaneous	385,000[3]	.48%
Manufacturing	25,000	
Total	$ 666,000	
Construction Expenditures	$1,990,000	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$2,934,683
Percent of Total Area	.42%

Employment

UW-Green Bay Employment	575
Percent of Total Area	.9%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $218,000.

UW-PARKSIDE

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$3,165,000	.57%
Rent and Mortgages	1,875,000	----
Miscellaneous Service	2,830,000[2]	----
Total	$7,870,000	1.29%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 245,000	.05%
Miscellaneous	696,000[3]	1.20%
Manufacturing	25,000	
Total	966,000	
Construction Expenditures	$1,314,000	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$3,746,573
Percent of Total Area	.44%

Employment

UW-Parkside Employment	500
Percent of Total Area	.5%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $241,000.

UW-PLATTEVILLE

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 4,505,000	3.54%
Rent and Mortgages	2,686,000	----
Miscellaneous Service	4,042,000[2]	----
Total	$11,233,000	8.19%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 100,000	.07%
Miscellaneous	336,000[3]	3.30%
Manufacturing	143,000	
Total	$ 972,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 2,183,061
Percent of Total Area	1.31%

Employment

UW-Platteville Employment	574
Percent of Total Area	10.2%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $393,000.

UW-RIVER FALLS

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 4,813,000	.93%
Rent and Mortgages	2,899,000	----
Miscellaneous Service	4,343,000[2]	----
Total	$12,055,000	2.20%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 753,000	.06%
Miscellaneous	383,000[3]	1.17%
Manufacturing	30,000	
Total	$ 1,166,000	
Construction Expenditures	$ 6,000	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 1,850,686
Percent of Total Area	1.35%

Employment

UW-River Falls Employment	588
Percent of Total Area	12.5%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $341,000.

UW-STEVENS POINT

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 8,968,000	1.44%
Rent and Mortgages	5,426,000	----
Miscellaneous Service	8,112,000[2]	----
Total	$22,506,000	3.25%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 533,000	.06%
Miscellaneous	506,000[3]	.71%
Manufacturing	109,000	
Total	$ 1,148,000	
Construction Expenditures	$ 9,000	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 3,601,352
Percent of Total Area	1.21%

Employment

UW-Stevens Point Employment	973
Percent of Total Area	7.3%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $526,000.

UW-SUPERIOR

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area Total Economy[1]
Retail Stores	$ 2,689,000	.59%
Rent and Mortgages	1,564,000	----
Miscellaneous Service	2,381,000[2]	----
Total	$ 6,634,000	1.36%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 213,000	.05%
Miscellaneous	128,000[3]	.35%
Manufacturing	16,000	
Total	$ 357,000	
Construction Expenditures	$ 8,000	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 1,970,530
Percent of Total Area	1.57%

Employment

UW-Superior Employment	444
Percent of Total Area	4.9%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $69,000.

[3] Does not include minimum maintenance costs of $245,000.

UWC-BARABOO/SAUK COUNTY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 234,000	.26%
Rent and Mortgages	140,000	----
Miscellaneous Service	210,000[2]	----
Total	$ 584,000	.58%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 4,000	.01%
Miscellaneous	49,000[3]	.45%
Manufacturing	4,000	
Total	$ 57,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 195,754
Percent of Total Area	.09%

Employment

UWC-Baraboo/Sauk Employment	37
Percent of Total Area	.5%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $60,000.

UWC-BARRON COUNTY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area Total Economy[1]
Retail Stores	$ 444,000	.59%
Rent and Mortgages	264,000	----
Miscellaneous Service	398,000[2]	----
Total	$1,106,000	1.37%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 16,000	.04%
Miscellaneous	60,000[3]	1.13%
Manufacturing	5,000	
Total	$ 81,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 324,650
Percent of Total Area	.24%

Employment

UWC-Barron County Employment	49
Percent of Total Area	.7%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $107,000.

UWC-MARINETTE COUNTY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area Total Economy[1]
Retail Stores	$ 254,000	.26%
Rent and Mortgages	147,000	----
Miscellaneous Service	224,000[2]	----
Total	$ 625,000	.58%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 15,000	.03%
Miscellaneous	18,000[3]	.21%
Manufacturing	3,000	
Total	$ 36,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 211,043
Percent of Total Area	.31%

Employment

UWC-Marinette County Employment	41
Percent of Total Area	.5%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $77,000.

UWC-MARSHFIELD/WOOD COUNTY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area Total Economy[1]
Retail Stores	$ 301,000	.08%
Rent and Mortgages	181,000	----
Miscellaneous Service	270,000[2]	----
Total	$ 752,000	.17%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 8,000	.002%
Miscellaneous	27,000[3]	.080%
Manufacturing	3,000	
Total	$ 38,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 249,810
Percent of Total Area	.15%

Employment

UWC-Marshfield/Wood Employment	45
Percent of Total Area	.4%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $92,000.

UWC-MEDFORD

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 105,000	.03%
Rent and Mortgages	62,000	----
Miscellaneous Service	94,000[2]	----
Total	$ 261,000	.09%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 4,000	.0001%
Miscellaneous	13,000[3]	.0600%
Manufacturing	1,000	
Total	$ 18,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 112,780
Percent of Total Area	.20%

Employment

UWC-Medford Employment	24
Percent of Total Area	.6%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $33,000.

UWC-RICHLAND CENTER

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area Total Economy[1]
Retail Stores	$ 248,000	.82%
Rent and Mortgages	148,000	----
Miscellaneous Service	223,000[2]	----
Total	$ 619,000	1.90%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 4,000	.82%
Miscellaneous	26,000[3]	1.00%
Manufacturing	4,000	
Total	$ 34,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 186,582
Percent of Total Area	.24%

Employment

UWC-Richland Center Employment	32
Percent of Total Area	1.2%

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[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $78,800.

UWC-ROCK COUNTY

PRELIMINARY FIRST ROUND ECONOMIC EFFECTS

Student, Faculty and Staff Expenditures

	Amount	Percent of Area[1] Total Economy
Retail Stores	$ 311,000	.10%
Rent and Mortgages	184,000	----
Miscellaneous Service	277,000[2]	----
Total	$ 772,000	.25%

Local Institutional Expenditures

	Amount	Percent of Area Total Economy
Ongoing Expenditures		
Wholesale Trade	$ 7,000	.005%
Miscellaneous	35,000[3]	.140%
Manufacturing	3,000	
Total	$ 45,000	
Construction Expenditures	$ 0	

Checking and Saving Balances

Institutional, Student, Faculty and Staff Accounts	$ 419,108
Percent of Total Area	.08%

Employment

UWC-Rock County Employment	54
Percent of Total Area	.1%

[1] Area includes all municipalities within 30 miles of campus.

[2] Does not include visitors' spending of $34,500.

[3] Minimum maintenance costs have been estimated to be $71,460.

TABLE I-1

SUMMARY OF LOCAL FIRST ROUND SPENDING AT SELECTED UW SYSTEM CAMPUSES

	UNIVERSITY OF WISCONSIN					
	Green Bay	Parkside	Platteville	River Falls	Stevens Point	Superior
All municipalities within 30 miles of the campus	$12,000,195	$10,219,792	$11,879,808	$13,296,222	$23,733,672	$ 7,065,955
Percent spent in:						
Retail Sector	31	31	38	36	38	38
Wholesale Sector	2	2	1	6	2	3
Services Sector	50	54	60	58	59	59
Manufacturing Sector	TR[1]	TR	1	TR	TR	TR
Construction	17	13	0	TR	TR	TR
Sector influenced the most (percent of sector's total activity accounted for by the campus)	Services (7.58)	Services (9.44)	Services (70.01)	Services (23.50)	Services (19.92)	Services (11.41)
Municipality in which the campus is located	$10,622,796	$ 4,483,322	$ 8,761,540	$ 9,309,673	$17,761,392	$ 5,317,175

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[1] Less than 1%

Sources: Tables 9 and 10 for each campus.

TABLE I-2

SUMMARY OF LOCAL FIRST ROUND SPENDING AT SELECTED UW SYSTEM CAMPUSES

	UNIVERSITY OF WISCONSIN CENTERS						
	Baraboo	Barron	Marinette	Marshfield	Medford	Richland Center	Rock County
All municipalities within 30 miles of the campus	$ 615,267	$1,114,048	$ 618,832	$ 732,820	$ 279,428	$ 609,749	$ 760,764
Percent spent in:							
Retail Sector	38	40	41	41	38	40	39
Wholesale Sector	1	1	2	1	1	1	1
Services Sector	60	58	56	57	61	58	59
Manufacturing Sector	1	1	1	1	TR[1]	1	1
Construction	0	0	0	0	0	0	0
Sector influenced the most (percent of sector's total activity accounted for by the campus)	Services (3.44)	Services (12.25)	Services (4.12)	Services (1.35)	Services (0.80)	Services (13.67)	Services (1.77)
Municipality in which the campus is located	$ 318,267	$ 669,544	$ 380,870	$ 639,133	$ 229,278	$ 459,742	$ 458,057

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[1] Less than 1%

Sources: Tables 9 and 10 for each campus.